

Program Policies
for Business Applications ISV Connect Program
Version Effective: July 10, 2019

These Program Policies (“**Program Policies**”) provide additional requirements and guidelines regarding your participation in the Microsoft Business Applications ISV Connect Program (the “**Program**”). It should be read in conjunction with, and interpreted as provided in, the Business Applications Addendum to the Microsoft Publisher Agreement (“**Addendum**”) (available at <https://aka.ms/BizAppsAddendum>).

1. Definitions. Capitalized terms not defined have the meaning given to them in the Addendum (or the terms of the Agreement if not defined in the Addendum). “Apps” (and “apps”) refers to your Eligible Apps.
2. Policy Modification. These Program Policies may be modified by Microsoft at any time with or without notice by posting updated Program Policies at <https://aka.ms/BizAppsISVPolicies>.
3. Eligible Applications. The Program applies only to “Business Applications” as set forth in the Addendum.
4. Enrollment. Enrollment in the Program will begin in mid-July 2019. To enroll in the Program, you (or your authorized individual) should accept the Addendum available within Partner Center (<https://partner.microsoft.com>) when publishing Dynamics 365 applications or PowerApps. Prior to accepting the Addendum, you will need to accept (or have previously accepted) the Microsoft Partner Network (MPN) Agreement and Microsoft Publisher Agreement.
5. Territory. The Program is available globally except where prohibited by Laws; however, currently if your Billing Address is in China, Hong Kong, India, or Brazil, Revenue Sharing Fees do not apply and marketing and co-selling benefits are not provided through this Program.
6. Program Tiers.
 - a. Standard Tier and Premium Tier. The Program classifies apps as being in the Standard Tier or Premium Tier. By default, your apps will be in the Standard Tier, although individual apps may be placed in the Premium Tier upon your request (submitted via the publishing system) and Microsoft’s approval.
 - b. Changing Tiers. You may request that your app be changed from Standard Tier to Premium Tier by selecting the appropriate option during offer setup/maintenance (note: during initial startup, this option may not be available for all offers). After your request is saved, Microsoft will begin an offline review process, and if approved, the offer’s status in Partner Center will be updated to reflect Premium Tier. An analogous process exists for requests to change apps from Premium Tier to Standard Tier. In this case, within a reasonable time (e.g., 1-2 weeks), your app’s status will be changed to reflect Standard Tier.
7. Benefits. Table 1 lists the names of current benefits available under Section 3.b of the Addendum (except the authorized access and deployment benefit which is listed here for convenience but provided under Section 3.a of the Addendum). Benefits may be updated as set forth in the Addendum. Also, Program benefits are subject to the Commercial Benefits Program

Addendum, except to the extent of a conflict with this Addendum or the Program Policies, in which case the conflicting provision in the Addendum (or Program Policies) shall control. Please contact GTM@microsoft.com for questions about benefits and fulfillment.

8. Benefit Eligibility.

- a. Company Level. Your level of benefits (Company Level) is based on the Revenue Sharing Fees that you paid during the prior 12 months. For ISVs with a track record in the Microsoft Business Applications ecosystem, Microsoft may modify an app's initial level on a case-by-case basis (since there is not a 12-month revenue history with the Program). Company Levels usually will be calculated monthly, but there may be a delay in updating records and receiving newly eligible benefits.
- b. Single Instance. For most benefits, the ISV is limited to a single instance of each benefit (regardless of the number of certified apps) within a 12-month period. For example, an ISV would be eligible to participate in only one "channel consultation" per 12-month period.
- c. Illustrative Example. For example, assume Contoso Software has two apps: "Contoso Attendance" in the Standard Tier with \$100,000 in sales during the prior 12 months, and "Contoso Materials" in the Premium Tier with \$1,800,000 in sales during the prior 12 months. Then, total Revenue Sharing Fees paid would have been $\$100k \times 10\% + \$1,800k \times 20\% = \$370k$. With \$370k in total Revenue Sharing Fees, the Contoso Attendance app would be in highest category for apps in Standard Tier and the Contoso Materials app would be in the "\$250-750k" category within Premium Tier.

9. Revenue Sharing Fee. See the Addendum for information on how to calculate the Revenue Sharing Fee, including determining the Total Solution Value, Revenue Share Percentage, and treatment of existing customer agreements (including upon renewal).

10. Timing and Due Dates for Revenue Sharing Fees. See the Addendum for information on the timing of invoicing. Generally, revenue sharing fees are due to Microsoft ratably over the life of the ISV/Customer agreement. For example, revenue sharing fees associated with a 3-year \$100,000/year license in the Standard Tier would be invoiced by Microsoft in advance each quarter at $\$100k \times 10\% \times \frac{1}{4} = \$2,500$ per quarter.

11. ISV Cloud Embed Program. The ISV Cloud Embed Program has separate eligibility criteria, rules, and operates pursuant to the Microsoft Cloud Distributor Agreement and/or Microsoft Cloud Reseller Agreement, although participation in this Program may be required for continued access to certain embedded licenses. Please consult those agreements and their supporting policy documents (including the criteria at <https://aka.ms/ISVCloudEmbedTerms>) for more information. Participation in ISV Cloud Embed Program is not required for participation in this Program.

12. Reporting

- a. 30 Days. Within 30 days of a transaction, you must self-report information about the transaction using Partner Center's deal registration portal.
- b. Reporting Co-sell Deals. If the transaction resulted from a "win" on a lead that was shared between Microsoft and Company (either direction), the opportunity should be marked as a "win" in Partner Center's deal management portal, and then "deal

registration” should be completed. In this case, some fields will be pre-populated based on the shared opportunity.

- c. Reporting Other Deals. If the transaction was not shared or for any other reason can't be marked as “won” at the opportunity level, it should be manually entered in Partner Center's deal management portal.
13. Waivers. No waiver by Microsoft of any provision of the Program Policies or Addendum will be effective unless communicated expressly in writing (e-mail acceptable) by an authorized representative of Microsoft (i.e., Microsoft Escalation Desk or equivalent).

Table 1: Microsoft Business Applications ISV Connect Program Benefits

	Standard Tier 10% of revenues		Premium Tier 20% of revenues	
	Total to Microsoft		Total to Microsoft	
	<\$50K ²	≥\$50K ²	≥\$250K ²	≥\$750K ²
Technical & platform benefits¹				
Common, pre-packaged elements of Dynamics 365 workloads and PowerApps business logic, entities, and workflows ³	X	X	X	X
PowerApps UI framework and controls ³	X	X	X	X
ISV Studio app and customer insights	X	X	X	X
New Pro Developer tooling to enable quick application development	X	X	X	X
Technical support for app onboarding to AppSource, including security and performance certification	X	X	X	X
Authorized access and deployment to customer tenants on the Microsoft Business Applications platform	X	X	X	X
Product licenses for development/test environments and Test Drive (for AppSource) [planned future benefit – details will follow]	X	X	X	X
Go-to-market benefits⁴				
	<\$50K ²	≥\$50K ²	≥\$250K ²	≥\$750K ²
AppSource best practices and templates to customize your engagements ⁵	X	X	X	X
App listing showcasing your solution to Microsoft sellers and marketers	X	X	X	X
Personalized support for improving your solution listing on Microsoft AppSource	X	X	X	X
Feature your app on the Microsoft AppSource blog, which is promoted on social media	X	X	X	X
Microsoft co-branded templates for a customer-facing presentation, one-pager, and case study, including personalized editorial review of assets ⁵		X	X	X
Marketing and sales enablement workshop to build your GTM content ⁵		X	X	X
90 minute phone or web conference consultation to drive improvements in your channel program ⁵		X	X	X
Coaching program to improve social selling through LinkedIn and other social connectors ⁵		X	X	X
Co-selling support from the Microsoft sales field			X	X
Joint account planning with select Microsoft sales field			X	X
Agency created Co-sell Ready bill of materials including field-ready marketing assets			X	X
Prioritized app listing in the Microsoft seller-facing catalog			X	X
Mini commercial highlighting your solution benefits			X	X
Press release template and editorial review for a partner-drafted press release			X	X
Virtual workshop covering every aspect of developing a productive channel ⁵			X	X
In-person workshop designed to help you turn awareness of your solution into purchase ⁵			X	X
End-to-end channel development program to help you expand your business through partnerships ⁵				X
Secret shopper assessment and improvement plan for customer buying experience ⁵				X

Account based tele lead generation campaign ⁵				X
In-person global expansion consultation to help you scale your business ⁵				X
Seller webinar featuring your speakers to the Microsoft sales field				X
End-to-end lead generation campaign featuring a single solution aimed at driving demand within highly relevant target accounts				X

¹ Individual technical benefits apply only to apps with an architecture supported by the applicable benefit. Not all technical benefits will apply to each app.

² ISV revenue sharing fees (due to Microsoft during prior 12 months) required for indicated benefits.

³ These features are only available within customer environments and cannot be used as IUR or for internal production environments.

⁴ Go-to-market benefits do not apply to Unpaid Apps.

⁵ Benefit provided per ISV, not per app.