

COMPENSATION PROGRAM

The compensation paid to a Partner is based on the fees received from an end-user for Runtime and Extensions during a Period. Compensation will be paid thirty (30) days after the end of the month in which royalties have been earned. Royalties and Bonus are not deemed earned until payment is received from the end-user.

1. SUMMARY OF COMPENSATION PROGRAM

The potential compensation to the partner network is based on the following:

1. 58% - 80% in Extension Royalty of the subscription fees paid by the end user for an Extension. The amount of the royalty depends on the volume for the specific Extension.
2. Up to 30% in Sales Royalty of the subscription fee paid by end users for the Runtime. The amount of the royalty depends on the Extension fee compared to the total fee for an end-user.
3. The possibility to receive additional Leadership Bonus of up to 12% of the royalty based on the compensation a Partner receives in Extension and Sales Royalties.
4. The possibility to receive additional Quality Bonus up to 6% of the royalty based on the compensation a Partner receives in Extension and Sales Royalties.

2. DETAILED DESCRIPTION OF COMPENSATION PROGRAM

2.1 Compensation types

There are four types of possible compensations available for the partner.

1. Extension Royalty
2. Sales Royalty
3. Leadership Bonus
4. Quality Bonus

2.1.1 Extension Royalty

The Extension Royalty is recognition for the created content. The compensation from an Extension depends on the number of users or how much income an individual Extension generates. The compensation is calculated using Table 1 below. The first column in the table shows the number of paying users of the Extension during the Period. The second column shows the income from an Extension during a Period. The highest compensation percentage from the number of users and income is used to calculate the Extension Royalty. The Extension Royalty is calculated by multiplying the income from an Extension during a period with the compensation percentage.

<u>Number of users</u>	<u>Income</u>	<u>Compensation percentage</u>
1-199	\$1-\$3,999	58%
200-399	\$4,000-\$7999	60%
400-599	\$8,000-11,999	62%
600-1199	\$12,000-24,999	64%
1200-2399	\$25,000-49,999	68%
2400-4799	\$50,000-99,999	72%
4800-9599	\$100,000-199,999	76%
Over 9600	over \$200,000	80%

TABLE 1. Extension Percentage Table

2.1.2 Sales Royalty

The Sales Royalty is recognition for the created user and is a share in the income from the CET Runtime. The size of the share depends on the Extension income compared with income from other Extensions and the income from the CET Runtime.

The combined total share for all Partners available as Sales Royalty is 30% of the income from CET Runtime. The Sales Royalty is calculated by multiplying the share with the Extension income and divide the result with the total income from that user during the Period.

2.1.3 Leadership Bonus

The Leadership Bonus is recognition for leadership, long-term stability and growth. A partner that generates results within its own network will qualify for compensation. The maximum compensation is 12% of the Extension and Sales Royalty received by the partner.

The size of the bonus depends on performance values that currently are:

- Partner participates in Configura arranged leadership functions.
- Partner introduction of new Extensions.
- Partner stability and growth.

A partner could advance several levels between each Period. A partner could only go back one level between each Period.

The Leadership Bonus levels are currently defined as:

- A. One Star Leader. Partner qualifies for 2% in Leadership Bonus.
 1. Partner has had at least one (1) participant in a leadership meeting during the last 12 months.
- B. Two Star Leader. Partner qualifies for 4% in Leadership Bonus.
 1. Partner has had at least one (1) participant in a leadership meeting during the last 12 months.
 2. The Partner Group has published at least one (1) new Extension during the last 12 months.
- C. Three Star Leader. Partner qualifies for 6% in Leadership Bonus.
 1. Partner has had at least one (1) participant in a leadership meeting during the last 12 months.
 2. The Partner Group has had at least two (2) participants in a leadership meeting during the last 12 months.
 3. The Partner Group has introduced at least one (1) new Extension during the last 12 months.
- D. Four Star Leader. Partner qualifies for 8% in Leadership Bonus.
 1. Partner has had at least one (1) participant in a leadership meeting during the last 12 months.
 2. The Partner Group has had at least two (2) participants in a leadership meeting during the last 12 months.
 3. The Partner Group has published at least two (2) new Extensions during the last 12 months.
 4. The total Royalty for the Partner Group has increased since the last compensation payment.
- E. Five Star Leader. Partner qualifies for 12% in Leadership Bonus.

1. Partner has had at least one (1) participant in a leadership meeting during the last 12 months.
2. The Partner Group has had at least two (2) participants in a leadership meeting during the last 12 months.
3. The Partner Group has published at least three (3) new Extensions during the last 12 months.
4. The total Royalty for the Partner Group has increased since the last compensation payment.

2.1.4 Quality Bonus

The Quality Bonus is recognition for Extension quality and development expertise. A partner that have trained developers and develop quality Extensions will qualify for compensation. The maximum compensation is 6% of the Extension and Sales Royalty received by the partner.

The size of the bonus depends on performance values that currently are:

- Partner participates in Configura arranged development functions.
- Partner develops and maintains Extensions with recognized quality by the end-user community.
- Partner introduces new Extensions and show stability and growth.

A partner could advance several levels between each compensation payment. A partner could only go back one level between each compensation payment.

The Quality Bonus levels are currently defined as:

A. One Star Competence Center. Partner qualifies for 1% in Quality Bonus.

1. Partner has had at least one (1) developer that is trained inline with step 1 of the Configura CET Developer Training Schedule.
2. Partner has had at least one (1) developer on at least one (1) development meeting during the last 12 months.

B. Two Star Competence Center. Partner qualifies for 2% in Quality Bonus.

1. Partner has at least one (1) developer that is trained inline with step 2 of the Configura CET Developer Training Schedule.
2. Partner has had at least one (1) developer on at least one (1) development meeting during the last 12 months.

C. Three Star Competence Center. Partner qualifies for 3% in Quality Bonus.

1. Partner has at least one (1) developer that is trained inline with step 3 of the Configura CET Developer Training Schedule.
2. Partner has had at least two (2) developers on at least one (1) development meeting during the last 12 months.
3. The Partner Group has introduced at least one (1) new Extension during the last 12 months.

D. Four Star Competence Center. Partner qualifies for 4% in Quality Bonus.

1. Partner has at least two (2) developers that are trained inline with step 3 of the Configura CET Developer Training Schedule.
2. Partner has had at least three (3) developers on at least one (1) development meeting during the last 12 months.
3. The Partner Group has introduced at least one (1) new Extension during the last 12 months.

4. The total Royalty for the Partner Group has increased since the last compensation payment.
- E. Five Star Competence Center. Partner qualifies for 6% in Quality Bonus.
1. Partner has at least three (3) developers that are trained inline with step 3 of the Configura CET Developer Training Schedule.
 2. Partner has had at least five (5) developers on at least one (1) development meeting during the last 12 months.
 3. The Partner Group has introduced at least two (2) new Extensions during the last 12 months.
 4. The total Royalty for the Partner Group has increased since the last compensation payment.

2.1.5 Partner Group Bonus

Partner that recruit new partners could also receive Leadership Bonus and Quality Bonus on Royalties received by the recruited partners. The bonus for each partner is calculated on the group bonus minus the group bonus for each recruited partner.

2.2 Royalty Distribution Tables

Compensation will by default be distributed to the Extension Publisher. When several partners cooperate to market and produce the Extension they could agree to share the compensation among each other. The partner network has the possibility to report to Configura how compensation should be distributed within the partner network.

Partners can report to Configura how Extension Royalty and Sales Royalty shall be distributed for each Extension. See example below in TABLE 2.

Extension Royalty Distribution Table for Extension 1134

Partner number	Distribution percentage
1034	55%
2321	20%
4567	15%
6523	10%

TABLE 2. Extension Royalty Distribution Table

3. EXAMPLES

3.1 Compensation Example

The example shows one user that pays a yearly subscription fee of \$1775 for the Runtime and the Extensions. The compensation to the partners will be between \$800 and \$944 depending on how the partners qualify for bonus.

	Runtime	E1	E2	E3	E4	E5	E6	TOTAL
Subscription fee	\$750	\$50	\$150	\$250	\$75	\$300	\$200	\$1 775
Percentage of TOTAL	42%	3%	8%	14%	4%	17%	11%	
Total number of users		2500	600	800	3000	1000	300	
Compensation percentage		72%	64%	64%	72%	68%	60%	
Extension Royalty		\$36	\$96	\$160	\$54	\$204	\$120	\$670
Sales Royalty		\$6	\$19	\$32	\$10	\$38	\$25	\$130
Maximum available Leadership Bonus		\$5	\$14	\$23	\$8	\$29	\$17	\$96

Maximum available Quality Bonus	\$3	\$7	\$12	\$4	\$15	\$9	\$48
Maximum available compensation	\$50	\$136	\$226	\$75	\$286	\$172	\$944
Maximum percentage of TOTAL	3%	8%	13%	4%	16%	10%	53%
Minimum available compensation	\$42	\$115	\$192	\$64	\$242	\$145	\$800
Minimum percentage of TOTAL	2%	6%	11%	4%	14%	8%	45%

TABLE 3. Example with six Extensions

3.2 Group Bonus Example

The example is based on that we have one partner (P1) that has recruited two partners (P2) and (P3). P1 has received a total of \$1000 in Extension and Sales Royalty. P2 and P3 have received \$500 each. P1 qualify for 10% in Leadership bonus and 4% in quality bonus. P2 qualify for 6% in Leadership bonus and 4% in quality bonus. P3 qualify for 8% in Leadership bonus and 6% in quality bonus.

The bonus for P1 is calculated as follows:

Leadership bonus P1 = 10%*\$2000 – Leadership bonus P2 and P3 = \$130

Quality bonus P1 = 4%*\$2000 – Quality bonus P2 and P3 = \$30

	Royalty		Royalty		Bonus qualification		Bonus	
	Extension	Sales	Own total	Group	Leadership	Quality	Leadership	Quality
P1	\$600	\$400	\$1 000	\$2 000	10%	4%	\$130	\$30
P2	\$300	\$200	\$500	\$500	6%	4%	\$30	\$20
P3	\$300	\$200	\$500	\$500	8%	6%	\$40	\$30

TABLE 4. Bonus example with two recruited partners

In this example P1 receives \$160 in bonus. That is extra 16% compared to the \$1000 that P1 has received in Royalty. The total bonus paid in compensation to P1, P2 and P3 is \$280. The maximum available bonus is \$360.

4. GENERAL

4.1 CSAB, at its sole discretion and without notice, may modify, change, and/or update this Compensation Program or any portion thereof at any time.

4.2 CSAB will arrange Partner Steering Group Meetings. Partner Steering Group meetings should address Compensation Program related topics. The Partner Steering Group can only discuss and give advice to CSAB. A partner is not by default a member of the Steering Group. CSAB shall, at its sole discretion, invite a Partner to participate in a Partner Steering Group meeting. A Partner Steering Group Meeting should be held minimum once per year.

4.3 CSAB will arrange regular Open Leadership Meetings. Leadership meetings should address sales and management related topics.

4.4 CSAB will arrange regular Open Development Meetings. Development meetings should address CET Development related topics.

4.5 CSAB will arrange Exclusive Leadership and Development meetings for Partner's specially invited by CSAB. Invited Partner's have reached extraordinary results in Royalty and Bonus. Levels to qualify are decided by CSAB. CSAB may, at its sole discretion, decide to pay all cost for travel and accommodation for Invited Partner's at these exclusive meetings.

4.6 The general rule is that Partners pay for travel and accommodation to participate in any open meetings. There could also be an administrative cost related to participating in each meeting.