

Campaign Reference Number: OEM5462-064964-00



**FY23 OSIS CAMPAIGN TERM SHEET("Term Sheet")
OFFICE ATTACH AT DISTRIBUTOR (FPP AND ESD) ("Campaign")
Between D&H DISTRIBUTING COMPANY - United States ("Company")
AND Microsoft Corporation ("Microsoft")**

Microsoft hereby offers partners meeting the eligibility requirements set forth below the opportunity to participate in the Campaign, subject to the terms and conditions set forth in: (i) this Term Sheet; (ii) the applicable ODR Local Channel Incentive (OSIS) Program Guide; and (iii) the Microsoft Partner Network Agreement ("MPN") and all documents incorporated therein (collectively the "**Agreement**"). The terms of this Agreement are the complete and binding terms applicable to the Campaign and may not be amended or changed except as provided in the Agreement.

Unless terminated earlier as set forth herein, the Campaign shall remain in effect and available only during the Campaign Term as set below. Participation in the Campaign is entirely voluntary, Company retains sole discretion to set prices for Eligible Products. Company agrees that it will be bound by and will comply with the Agreement if it: (i) chooses to participate in the Campaign and notifies MS of the same; (ii) accepts Incentives; or (iii) otherwise complies with the Term Sheet. Capitalized terms not defined in this Term Sheet, have the defined meaning in the Agreement.

Campaign Term (dates inclusive)	
Start Date	October, 01 2022
End Date	December, 31 2022

Eligibility
Company is eligible to participate in the Campaign only if Company: (a) Fully complies with the Agreement; and (b) Has a valid Microsoft Partner Network (MPN) ID and the applicable distribution agreement;

Campaign Details			
Eligible Products and Incentive	Eligible Product/PFAM	SKU#	Incentive (per unit) in USD
	M365 Bus Standard Retail	KLQ-00218 - Microsoft 365 Bus Std Retail All Lng SubPKL 1YR Onln NA Only DwnLd NR	20
	M365 Bus Standard Retail	KLQ-00659 - M365 Bus Standard Retail English Subscr 1YR NA Only Medialess P8	20
	Office Home and Business	T5D-03489 - Office Home and Business 2021 All Lng PK Lic Online NA Only DwnLd NR	30
	Office Home and Business	T5D-03518 - Office Home and Business 2021 English NA/PR/TT Medialess	20
	Office Professional	269-17195 - Office Pro 2021 Win All Lng PK Lic Online NA Only DwnLd C2R NR	30
Qualifying Device	The following devices: Windows PC and Tablets, Apple MacBook's and iPads, Android Tablets & Chromebooks with screen size > 10.1"		

Campaign Criteria	- The funds disbursed, disbursable, or made available to Company by MS ("Incentives") are available for a maximum of one thousand five hundred (1500) units of combined total Eligible Product sold to each Eligible Reseller in a calendar quarter, in the Country identified above. - Eligible Product must be sold with a Qualifying Device in the Country identified above; either on the same invoice or two individual invoices issued within five (5) working days to the same Eligible Reseller. "Eligible Reseller" means a company or legal entity that acquires a product for resale not for use. Eligible Reseller excludes Managed Retailers and Managed Resellers which sales will be removed from Company's calculation to avoid duplicate/double payments. MS will publish, via Device Partner Center, a list of Managed Retailers and Managed Resellers for Company's use. Managed Retailer and Managed Reseller Exclusion list is available on the Device Partner Center (DPC) site: OSIS Program Resources. - Devices and bundles purchased from an OEM or distributor which already include an Office product are not eligible for an Incentive. - Maximum one Incentive for each unit of Eligible Product sold across all Local Channel Incentives programs in the Country identified above.
Payable on	Net Sell-Out , which means the gross number of Eligible Products sold to Eligible Resellers less any Eligible Product returned during the Campaign Term.
Payment Calculation	The Incentive payment will be calculated on the Net Sell-Out quantity of Eligible Product sold during the Campaign Term, that meet the requirements of the Campaign, multiplied by the Incentive per unit.

Required Reporting

Description	Net Sell-Out data for Eligible Products including the following: Country, Name of the Reseller, Sales Date, Office Product Family, Office SKU/Product number, Number of units sold, Number of units Attached, Qualifying Device (HW), Description of HW (Brand and model), Invoice number(s).
Format	MS will make available a reporting template for Distributor use
Frequency	Quarterly sales data
Due Date	Within fifteen (15) days after the end of the calendar quarter.

Required Sales and Marketing Activities

Company must execute **Required Sales & Marketing activities** to be eligible for the Office Attach incentive, **and provide Proof of Execution (POE)**:

- Required:** Attach Eligible Product to Qualifying Devices.
POE: Required reporting as explained above in Required Reporting section.
- Required:** Create a Reseller "soft bundle"* of Windows Pro or other Qualifying Device + Eligible Products
POE: Example of outbound marketing activity or website with offer. This needs to be an external marketing activity that is sent to Resellers, not an internal email, readiness or training document.
** "soft bundle" defined as: a recommendation to purchase two products together. Often promoted as a discount if purchased together.*
- Required:** Implement and execute outbound marketing campaigns.
POE: Examples of outbound marketing vehicles (Eg direct mailing, social media, web or other...)

Partner should execute required (POE) and recommended activities in collaboration with local Microsoft Partner Sales Executive.

Payment

Payments will be made in the form of a credit memo within thirty (30) days or wire transfer within sixty (60) days (on an exception basis) after the end of the calendar month in which MS receives and approves the reporting and any POE required for this Campaign.

If Company receives payment through Microsoft Partner Center, any payments below USD 200 (or currency equivalent), may be held until the total payment due exceeds USD 200. All payments above USD 200 will be paid in the next scheduled payment cycle. If the payable amount is below USD 200 at the end of the program year the amount will be forfeited. If Company does not receive payment through Microsoft Payment Center, any payment below USD 200 (or currency equivalent) will be forfeited.

Overpayment. If MS overpays Incentives to Company, MS will deduct the amount of overpayment from Incentives for the subsequent period to the extent possible. For any MS overpayment which cannot be deducted from subsequent payments, Company will pay MS the amount of overpayment within 45 days after MS notifies Company of the overpayment.

Underpayment. If MS underpays Incentives, MS will pay the amount of the underpayment within 45 days after Company notifies MS of the underpayment.

Disputes. Company has 90 days from the date Incentives under dispute are posted on the MS Partner Center to raise a request for re-calculation.

No Real-Time Accounting. Company understands and agrees that accounts in the MS Partner Tool are updated on a regularly scheduled basis and that no real-time accounting is currently available.

Updates to Campaign, Term Sheet and Guide

- Microsoft may make changes to the Campaign, Term Sheet or Guide for any or no reason upon 15 days' notice to Company before the changes become effective.
- (a) Unless otherwise specified by Microsoft, any updated or new version of the Campaign, Term Sheet or Guide will not have a retroactive effect and will only apply going forward for the remainder of the Campaign Term, or as otherwise specified in the new terms.

Term, Termination and Survival

- (a) **Term.** The Campaign and this Term Sheet shall continue during the Campaign Term unless terminated earlier as set forth herein. Microsoft shall have no obligation to Company for Incentives earned after either the Campaign or this Term Sheet terminates.
- (b) **Termination.** The Term Sheet may terminate prior to the end of the Campaign Term if: (i) the Agreement terminates for any reason; (ii) the Campaign terminates as provided herein; or (iii) it is terminated as set forth below.
- i. **Cause:** Either party may terminate this Term Sheet for material breach by the other party if the breach remains uncured following fifteen (15)-day written notice by the non-breaching party. Either party may terminate the Term Sheet immediately for breach of confidentiality by the other party.
 - ii. **Convenience.** Either party may terminate this Term Sheet at any time for any reason by providing the other Party with at least thirty (30) days' advance written notice.
- Except as expressly set forth herein, neither party will be responsible to the other for any costs or damages resulting from the termination of the Campaign or this Term Sheet. After termination, except as provided herein or in the Agreement, the parties shall have no further rights or obligations under this Term Sheet or the Campaign.
- (c) **Survival.** Those sections of this Term Sheet which, by their terms are intended to survive termination, shall survive.