

Dr.Backup Agent in Good Standing Explained

This is a policy document which explains some details about how we administer the Pro-Partner Sales Compensation Program. It expounds on the information found in the Dr.Backup Sales Agent Responsibilities and Compensation Plan.

To be eligible to receive Pro-Partner commissions, the Sales Agent must maintain a status that we refer to as **“Agent in Good Standing”**. Sales Agent refers to the entity that executed the Dr.Backup Sales Associate (or Reseller) agreement.

Agents in good standing receive recurring commissions based on their book of business in accordance with our “pay and pay” system (i.e., Agent receives commission the month immediately following the months that Dr.Backup gets paid).

There are two ways to maintain Agent in Good standing status:

1. **Actively participate in the new sale (or upgrade) of Dr.Backup service to at least one client per calendar year.**

For example: if an agent signs up a prospect for a 30-day trial in January of 2022, and they ultimately purchase service (and start paying for it in February 2022,) the agent would have fulfilled the requirement for being an agent in good standing for 2022. **And, because Pro-Partner agent status is determined on a calendar year basis**, the agent will have automatically met their sales requirement for calendar year 2023 – and will receive commissions in 2023 -- even if they make no additional sales. (Of course, lots of new sales are always preferred!)

2. **Make a “best effort” attempt at product marketing and sales activities that offer the real possibility of securing additional backup service business.**

Example #1: If an Agent introduces a **bona fide prospect** to Dr.Backup and they complete a 30-day trial of service, then in most cases, that will be sufficient to establish intent to make a best effort at marketing the service for purposes of making a sale. In these cases, Agent in Good Standing status is achieved for the current – and subsequent calendar year -- even if the prospect does NOT ultimately become a customer.

Example #2: An agent makes a passive **referral of a prospect** to Dr.Backup and that referral subsequently winds up **purchasing a qualified backup service**. In this case, the Agent will be deemed to be the procuring cause of the sale. The fact that the agent doesn’t actively provide for the IT needs of the prospect/client is not relevant.

Example #3: If an Agent is 1) actively pursuing clients in their IT support business, and 2) has 6 or more of their clients on the Dr.Backup service, and 3) provides meaningful activity support and relationship management in cooperation with the Dr.Backup support team as required,

then **at the discretion of the Pro-Partner Program Manager, the Agent may be granted Good Standing status** – even if they have not met the typical Sales Agent quota responsibilities of the Program.

From time-to-time we run into **special situations** which aren't explicitly covered in the traditional examples detailed above. While we will always try to "do the right thing", the final decision on Pro-Partner compensation matters will remain with Dr.Backup – and is subject to change in response to changes in the business environment.

Here are some special examples, and how we currently handle them.

Special Situation #1: **An Agent in Good Standing Retires.** By retire, we mean the agent is no longer in the business of selling Dr.Backup services to business clients. They may have stopped providing IT Services to the public, taken a "day-job" at another company or literally retired from the workforce. In all these situations, barring any special circumstances or other previously agreed upon arrangements, the Agent will ultimately lose their Good Standing status in the program and forfeit all future commission payments.

Special Situation #2: There is a **CHANGE OF CONTROL** in the business entity. If the Agent relationship is currently held with a corporate entity i.e., S-Corp, C-Corp, or non-single member LLC, the personnel may change, but the existing sales agent agreement would remain in effect. No materials changes in commission paid would be impacted by a change of control.

Special Situation #3: **A business entity is dissolved**, but a relationship is established with another entity to provide ongoing IT Services to active clients. In these types of cases, the Dr.Backup business relationship with the original Agent effectively ends. The new entity would need to enter into (or already have in place) an Agent agreement with Dr.Backup. In these cases, a request to transfer account responsibility and commission to the new entity would almost always be honored.

Note: Accounts which are orphaned, i.e., serviced by another entity other than the Agent dissolving their business, CANNOT be transferred to a new Agent. Stated another way, new Agents cannot claim commissions for accounts they don't currently play a role in servicing.