BizExchangeX Vendor Participation Agreement

Schedule A | MSP/MSSP/VAR Net Profit Commission

Version 2.1

This Schedule is incorporated into the BizExchangeX Master Vendor Participation Agreement (the "Master Agreement"). Capitalized terms not defined here have the meanings in the Master Agreement.

1. Eligibility and assignment

This Schedule applies only to a Vendor classified and approved by BEX as a managed service provider, managed security service provider, value-added reseller, or a substantially similar operator that earns a measurable gross profit on customer transactions. BEX must assign this Schedule before execution.

2. Definitions

2.1 TAGV (Total Aggregate Gross Value)

Definition: The total dollar value of all completed transactions processed through the platform.

Inclusions: Face value of goods, services, digital assets, and platform-mediated bookings.

Exclusions: Cancelled transactions, platform usage fees, and fraudulent transactions caught before settlement.

2.2 Net Profit

Definition: The remaining revenue after subtracting all allowable operational costs from Gross Revenue.

2.3 Tier Transitions

Definition: The rules governing how pricing or revenue-share percentages change as volume grows.

Triggers: Reaching specific TAGV or transaction count milestones.

Application Types:

Prospective: New rates apply only to transactions after the milestone.

Retrospective: New rates apply to all transactions in that period once the milestone is hit.

2.4 Affiliate Aggregation

Definition: Combining the volume of a primary corporate entity with its subsidiaries and parent companies.

Benefit: Allows corporate groups to pool volume to hit higher tier discounts faster.

Control Threshold: Usually requires a minimum of 50% voting ownership to qualify as an affiliate.

2.5 Deductions & Adjustments

Permitted Deductions

Definition: Contractually agreed expenses that can be subtracted from Gross Revenue before calculating payouts.

Allowed List: chargeback costs, data verification fees, and localized transaction taxes.

2.6 Governance & Verification

Reconciliation

Definition: The periodic process of matching platform data logs against actual bank settlements and partner records.

Timeline: Usually occurs monthly, within 15 days of the close of the Report Filing Date.

Dispute Window: Partners typically have 30 to 60 days to contest a reconciliation report.

Audit Remedies

Definition: The legal recourse available if a financial audit reveals discrepancies in platform reporting.

Underpayment: Platform must immediately pay the shortfall plus contractually defined interest.

Cost Shifting: If the audit reveals an underpayment of over a specific threshold (typically 5%), the platform must pay for the entire cost of the audit.

3. Commission Basis

3.1 BEX Commission equals the applicable Tier Rate multiplied by Net Profit actually realized by Vendor from each BEX-Originated Customer or Opportunity.

3.2 "Net Profit" means amounts received by Vendor from the customer, less only documented Direct Product and Service Cost attributable to that customer transaction.

3.3 Commissions Paid by Technical Service Distributors defines Net Profit as the Pass-through Commission paid by the TSD Directly to MSP, MSSP, or VAR

3.4 "Direct Product and Service Cost" means the amount Vendor actually pays an unaffiliated supplier, carrier, distributor, licensor, or subcontractor specifically to fulfill the transaction. It does not include payroll, commissions to Vendor personnel, rent, financing cost, marketing, general overhead, allocations, depreciation, taxes on Vendor income, bad-debt reserves, or affiliate markups unless BEX approves them in writing. Pass-through SaaS/cloud consumption costs (e.g., AWS, Microsoft 365) qualify as direct costs when documented and paid to unaffiliated third parties.

3.5 If Vendor bundles products or services, Vendor will use a consistent, commercially reasonable allocation supported by source records. BEX may reject an allocation designed to reduce Commission.

3.6 Annual gross volume and tiers "Total Annual Gross Volume" or "TAGV" means all customer amounts actually received during the applicable Measurement Year from BEX-Originated Customers, before deductions, credits, refunds, or costs except taxes separately stated and remitted to a taxing authority.

Tier	TAGV	Tier Rate
Bronze	$0.01–$99,999.99	17% of Net Profit
Silver	$100,000.00–$249,999.99	15% of Net Profit
Gold	$250,000.00–$499,999.99	13% of Net Profit
Platinum	$500,000.00 and above	10% of Net Profit

3.7 The initial Measurement Year begins on the execution date and ends twelve months later. Each later Measurement Year is a successive twelve-month period.

3.8 The initial Tier is Bronze unless BEX approves a different opening Tier based on verified historical BEX-originated volume.

3.9 At the end of each Measurement Year, the Tier Level remains in place as long as the verified TAGV each month for the aggregate 12 preceding months. Tier changes apply Retrospectively based on current tier level for all commissions, but does not retroactively reprice commission levels from completed months and no refunds or credits are due unless a reconciliation identifies inaccurate reporting. The platform automatically upgrades/downgrades based on the previous 12 months aggregate TAGV.

3.10 A Tier cannot be transferred among affiliates or aggregated across unrelated vendor entities without BEX's written approval.

4. Recognition and Adjustments

4.1 Net Profit is recognized only after Vendor receives the applicable customer payment.

4.2 A documented refund, credit, chargeback, or customer nonpayment may reduce Net Profit in the reporting period in which it is actually incurred, but not below zero for that transaction without BEX's written approval.

4.3 Vendor will reverse any deduction later recovered from the customer, supplier, insurer, or other source.

4.4 Rebates, incentives, spiffs, marketing funds, or other supplier value directly attributable to a BEX-Originated Customer are included in Net Profit unless the parties approve a documented exclusion.

5. Monthly report

In addition to the Master Agreement report, Vendor must provide for each customer and transaction: BEX opportunity identifier, invoice number and date, customer receipt date, gross amount received, each permitted direct cost with source reference, Net Profit, current Tier, Tier Rate, Commission, credit or adjustment, and amount remitted.

6. Reconciliation

BEX may reconcile TAGV, Net Profit, Tier, and Commission after each Measurement Year and after any audit. Underpayments are due promptly; overpayments may be credited against the next invoice or refunded if no future invoice is expected.

7. Renewals and Expansions

The same Net Profit method and applicable Tier Rate apply to recurring charges, renewals, upgrades, add-ons, new locations, migrations, replacement services, and cross-category Expansion Transactions involving a BEX-Originated Customer.

8. Schedule-Specific Execution Data

The immutable execution record must state Vendor classification, Measurement Year dates, opening Tier, Net Profit definition version, any approved exclusions, and the Master and Schedule content hashes.