



Channel Conflict Policy

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This Channel Conflict Policy (“Policy”) applies to sales conflicts that may arise between Channel Partners and IP Communications. Channel Partners include, without limitation, Service Dealers and Sales Agents (collectively “Channel Partners”). This document is general in nature, and IP Communications reserves the right to determine and take, in its sole discretion, the action most appropriate under the specific circumstances. This Policy is incorporated by reference into the Channel Partner Agreement between Channel Partner and IP Communications (“Agreement”). Terms used but not defined in this Policy have the same meaning as in the Agreement. In case of conflict between the terms and conditions of the Agreement and this Policy, the terms and conditions of the Agreement will control.

IP Communications may, in IP Communications’ sole discretion, update or revise this Policy and send to the Channel Partner via email, pursuant to notification stipulations as defined in the Agreement. Channel Partners should review this Policy periodically for any changes.

1. **Multiple Channel Partners Pursuing the Same Customer:** When more than one Channel Partner is attempting to sell Service to the same potential Customer, IP Communications will support both Channel Partners in a commercially reasonable basis and in accordance with the Channel Management Principles set forth below.

a. **Channel Management Principles:**

- i. IP Communications will use commercially reasonable efforts to support all Channel Partners, regardless of when a Channel Partner becomes engaged in a sales opportunity.
- ii. IP Communications will use commercially reasonable efforts to support a Channel Partner in a sales opportunity even if IP Communications is already working with another Channel Partner with respect to the opportunity.
- iii. Regardless of the number of Channel Partners involved, the IP Communications’ Channel Sales Manager is the primary sales resource for joint selling activities.
- iv. IP Communications will hold account information, both strategic and tactical, in confidence at all times and will not knowingly provide to any other Channel Partner any information provided to IP Communications by a Channel Partner regarding a potential Customer.
- v. IP Communications will not provide special pricing/discounting advantages to one Channel Partner to the disadvantage of another Channel Partner. Special pricing/discounting, if offered, will be available to ALL Channel Partners who are then engaged with IP Communications with respect to a particular sales opportunity.
- vi. IP Communications is not responsible for preventing other Channel Partners from entering an account already being called on by a Channel Partner.
- vii. An effective distribution relationship is one in which both IP Communications and the Channel Partner share the desire to sell IP Communications solutions through the relationship. Such a relationship requires:
 - Joint sales campaign activity
 - Shared account access
- viii. Each Channel Partner is responsible for articulating its differentiating message to win the sale. IP Communications will support and reinforce the message so long as IP Communications agrees with the message.
- ix. IP Communications will not make a definitive statement about who the best Channel Partner is for a given Customer.
- x. IP Communications can most effectively add value to a Channel Partner’s activities when the Channel Partner engages IP Communications early and often in its sales opportunities. By so doing, IP Communications’ relationship with the Channel Partner is most convincing and compelling to the Customer. IP Communications and the Channel Partner should make decisions based on this set of principles.

2. **Channel Partner and IP Communications Pursuing the Same Customer:** If both Channel Partner and IP Communications' direct sales force independently pursue the same potential Customer, then both may continue to do so, subject to the following:
 - a. IP Communications may decide, in IP Communications' sole discretion, not to continue to pursue the potential Customer through IP Communications' direct sales force and instead pursue a joint selling strategy with the Channel Partner, so long as the Channel Partner agrees to participate in a joint selling plan with IP Communications and shares access and information about the sales campaign and account with the IP Communications representative. In these cases, the goal will be to close the sale by placing an order through the Channel Partner. If such a sale is closed by the Channel Partner, then the Channel Partner will be paid Commissions pursuant to their Agreement.
 - b. IP Communications' direct sales force will not use any information provided to IP Communications by a Channel Partner regarding a potential Customer in order to pursue the potential Customer directly.
3. **Complaints:** IP Communications alone is responsible for evaluating a Channel Partner's compliance with the Agreement. Upon receipt of a complaint from one Channel Partner regarding another Channel Partner, IP Communications will, in its sole discretion, determine the appropriate course of action regarding the complaint, which may include no action. IP Communications will not respond to the complaining Channel Partner regarding either IP Communications' response to the complaint or the status of either the complaint or the Channel Partner who is the subject of the complaint.

In witness whereof, the Parties have read, understand and agree to be bound by this Policy as signified by signing below.

IP Communications, LLC

By:

By:

Name

Name

Title

Title

Date

Date

Channel Partner must return two (2) fully completed original Channel Conflict Policy documents to IP Communications at: IP Communications, 1925 Vaughn Road, Suite 215, Kennesaw, GA 30144.