



# Scorto Partnership Program

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# 1. Purpose

The purpose of the Scorto Partnership Program is to define and describe partnership types, key requirements that are to be used for partner selection, responsibilities of both parties, correspondence proving and payments within partnership relations with Scorto Corp., including the description of processes and samples of required documents.

# 2. Scope of Application

The Scorto Partnership Program defines and describes the process of interaction between Scorto and companies that are or intend to be Scorto's partners. This program covers all of Scorto's employees who interact with partners as well as on the organizations that have signed the Partnership Agreement with Scorto.

## 3. Partners

### Terms and Definitions

**Representative Partner** – a company that has been granted the privilege of exclusive marketing and sales rights for a particular geography or a given group of clients.

**Reseller Partner** — a company that represents Scorto's interests on a particular regional market or markets.

**Referral Partner** – a company that represents Scorto's interests with a particular client on a case by case basis.

**Scorto's Interests** — to become and remain the leader among scoring and decision management application providers in the global market; to build long-term commercial relationships with end-users across multiple industries which can benefit from purchasing Scorto's products.

**Scorto's products** — proprietary specialized software, consulting and software development services provided by Scorto or its authorized representatives.

### Participating in Scorto Partnership Program

To participate in the Scorto Partnership program, the interested party (as a company, regardless of level of partnership in a given market) must meet the following requirements:

- **Line of business:** the Partner's line of business, business interests and employees' qualifications should correspond to the following spheres: risk management, credit risk management, customer lifecycle, various other forms of risk management and mitigation consulting, top management, integration services for third parties that are involved in banking business, in particular, in risk management, contacts and business cooperation with credit bureaus, credit organizations and unions, collections, customer lifecycle, customer services, telecommunications, insurance and/or other related areas of expertise;
- **Sufficient resources and manpower:** the Partner Company should possess sufficient premises, technical and manpower resources to adequately meet the goals of the partnership arrangement. The Partner Company may be represented by various quantities of employees in the staff, but the persons in charge for promoting Scorto products and services should possess sufficient knowledge of Scorto products and services, and enough time for efficient conducting of the market activity.
- **Certification:** In the case of partnership and representative arrangements, Scorto has will run both technical and marketing certifications for the would-be Partner's employees assigned to conduct marketing activities in promoting Scorto products. The certification can be achieved as a result of training authorized by Scorto Sales Department free of charge. Training and

## Partners

refresher courses will be provided once per year as a refresher to the employees of the partner. If additional or more in depth training is required (for partners who wish to handle support services or integrations in-house, as an example), the fees for such trainings will be \$1500 for 1 person (per 4 days).

- Market position: A review of the potential partners place (or likelihood and profitability of a lead in the case of a reseller agreement) in the given market will be reviewed by Scorto to determine the appropriate level of cooperation (representative, reseller, referral partner) from which to start;
- The Partner agrees with terms and conditions of the present program.

## Partner's Rights

All Partners have the right to represent Scorto's interests for the purpose of:

- Selling Scorto software;
- Representing Scorto in negotiations with leads and potential clients;
- Determine pricing for the end-client;
- Trust that no one else will be competing for business with a specified client on behalf of Scorto.

Representative and Reseller partners will additionally enjoy the abilities of:

- Implementing Scorto software;
- Installing and fine-tuning Scorto software;
- Supporting and maintaining Scorto software;
- Organizing and holding training and educational seminars related to Scorto software;
- And providing various consulting services for end-users.

Each Partner has the right to represent Scorto's interests only in the specific cases as previously agreed to (in writing) by Scorto.

The Partner's rights are detailed in the Partnership Agreement entered in to prior to any engagement of any type.

## Partner Status

In the initial Partnership Agreement, the Partner and Scorto will agree to have one of the following three statuses — «Representative Partner», «Reseller Partner» or «Referral Partner».

«Representative Partner» — means that within the market (area), specified in the Partnership Agreement, the Partner is the only company that represents Scorto's interests. In its turn, Scorto works only with this Partner. The Representative Partner agrees to represent only Scorto, and will not represent the interests of any competing products or Companies.

## Partners

The Partner with this status has a number of obligations regarding achievement of sales plan and commitment to the growth of Scorto's market share within the defined area. In addition, the partner will commit to time, resources and transparency (in regards to matters relating to Scorto and it's business) to develop and maintain the delivery of Scorto products as well as the relationship between the Representative Partner and Scorto. In return, the Representative Partner will enjoy enhanced rewards and recognitions as a result of the successful partnership. Details of the rewards and responsibilities are outlined in section 6 of this document.

«Reseller Partner» — means that this Partner has the right to represent Scorto's interests within the specified market (area). This status also means that the Partner may be not the only company on the defined market that cooperates with Scorto within the partnership program. For each market, conditions are specified separately. However, each Reseller Partner will be guaranteed that there will be no conflict with any lead the Reseller Partner makes Scorto aware of. In addition, the Reseller Partner will be provided with preferential status in the event of another company bringing a potential client to Scorto within the same time frame (7 calendar days) of the Reseller Partner.

The Reseller Partner can be elevated to Representative Partner based on the level of sales completed by the Reseller Partner as well mutual agreement between Scorto and the Reseller Partner. Additional details of the benefits, rewards, and responsibilities of the Reseller Partner are outlined in Section 6 of this document.

«Referral Partner» - means that a company has a lead for a company or companies in which would benefit from, or are interested in Scorto products and services. A referral partner simply enters into an agreement with Scorto stating that the two companies will work together for the fulfillment of a single and unique opportunity, with no obligation for future business or responsibilities to each other.

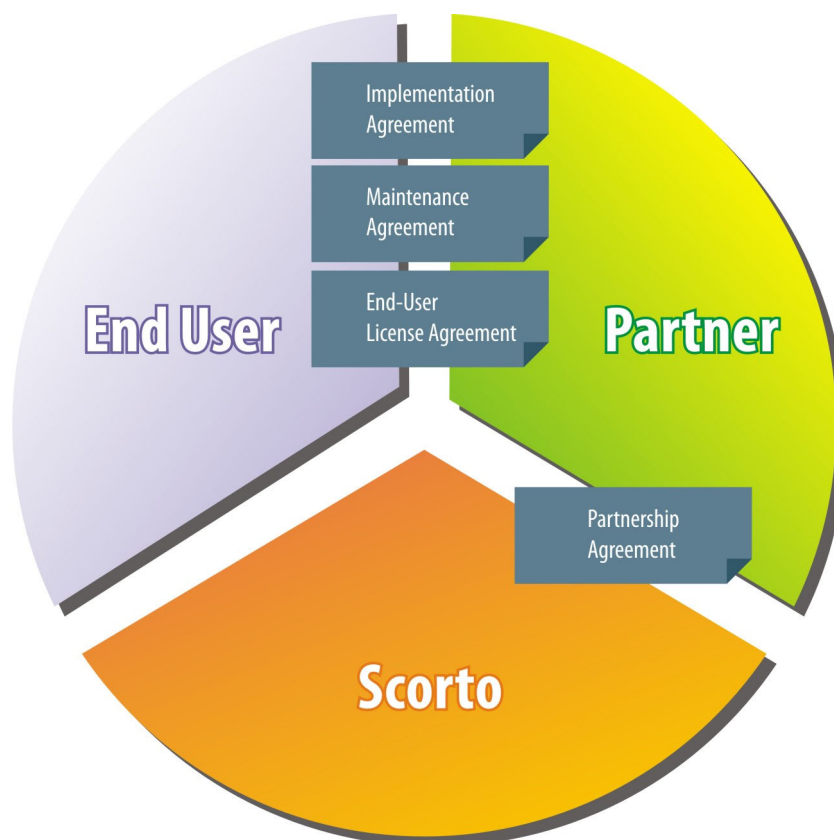
The basic roles and responsibilities of Scorto and referral partners are outline in section 6 of this document.

## 4. Work Plans for Partners

There are several standard work plans for cooperation between Scorto and its Partners; each work plan can suit a particular situation.

A work plan between Scorto and its Partner is defined at the early stage of cooperation and can later be changed by signing a new partnership agreement or through agreeing on additions to the Partnership Agreement.

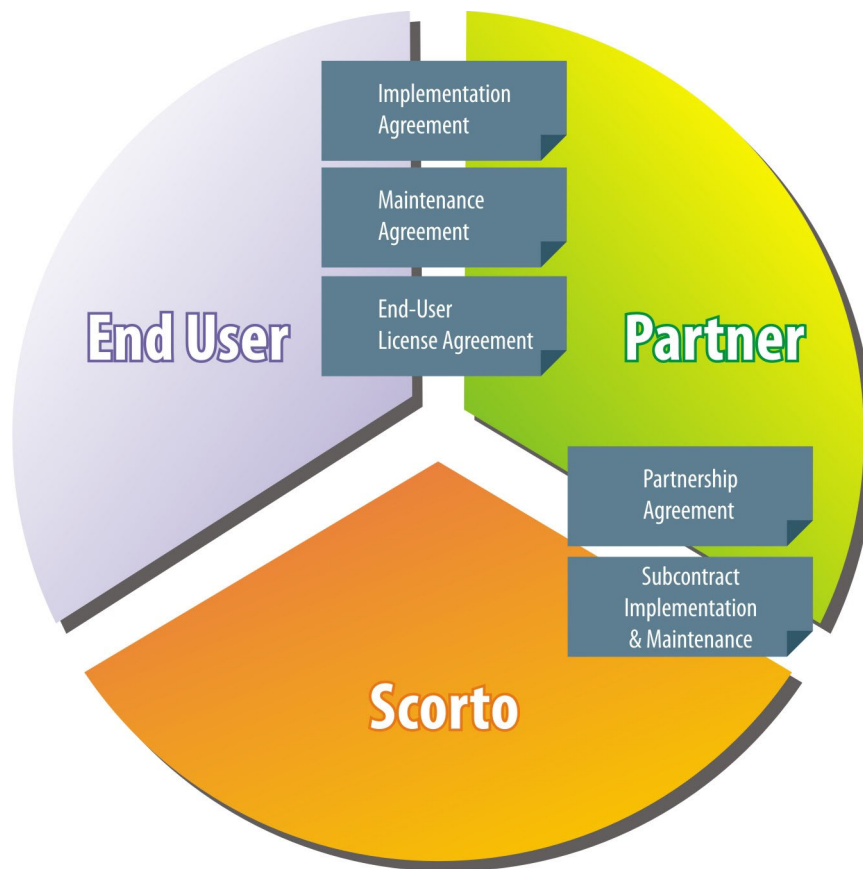
### Commercial Arrangement #1



This work plan assumes that:

- Scorto and its Partner sign a Partnership Agreement;
- The Partner and end-users sign corresponding agreements regarding implementation, maintenance and licenses;
- Scorto experts are involved in implementation and maintenance only when necessary;
- The Partner receives maximum profits, since all the integration and maintenance services are done by the Partner's experts;
- The Partner must have Scorto certificates that authorize the Partner to carry out implementation and maintenance work.



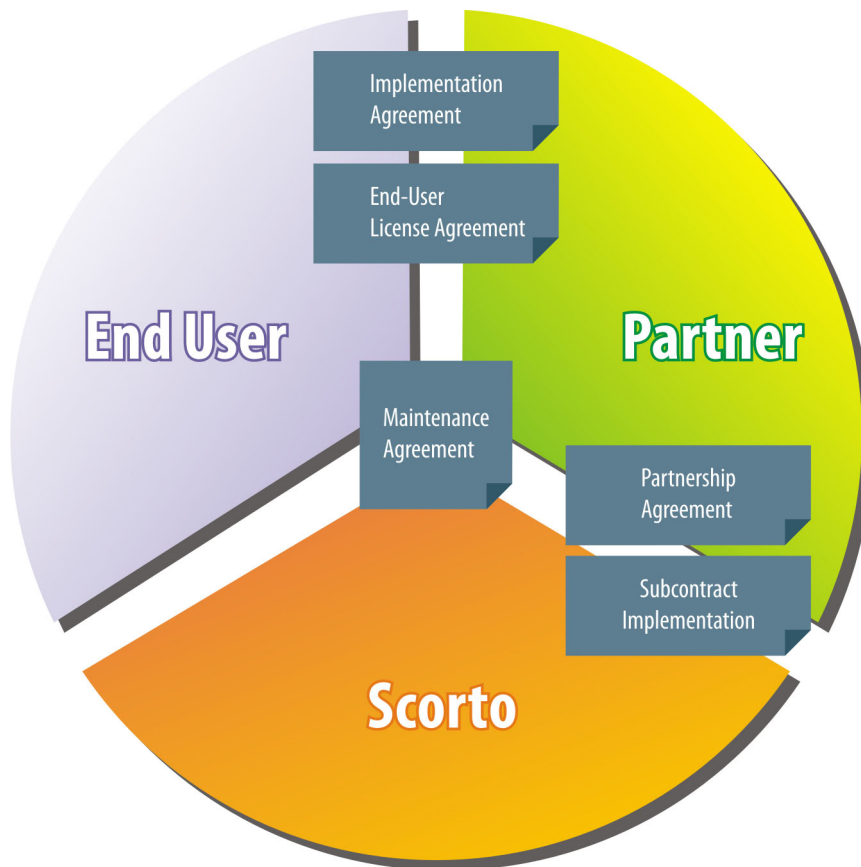
**Commercial Arrangement #2**

This work plan is similar to Work Plan #1; however, the difference is that Scorto and its Partner additionally sign a subcontract regarding implementation and maintenance.

Thus, according to this model the Partner does not carry any work on implementation and maintenance; such work is completely Scorto's responsibility.

Nonetheless, the Partner signs an implementation agreement with the end-user and is responsible for cooperation in this sphere.

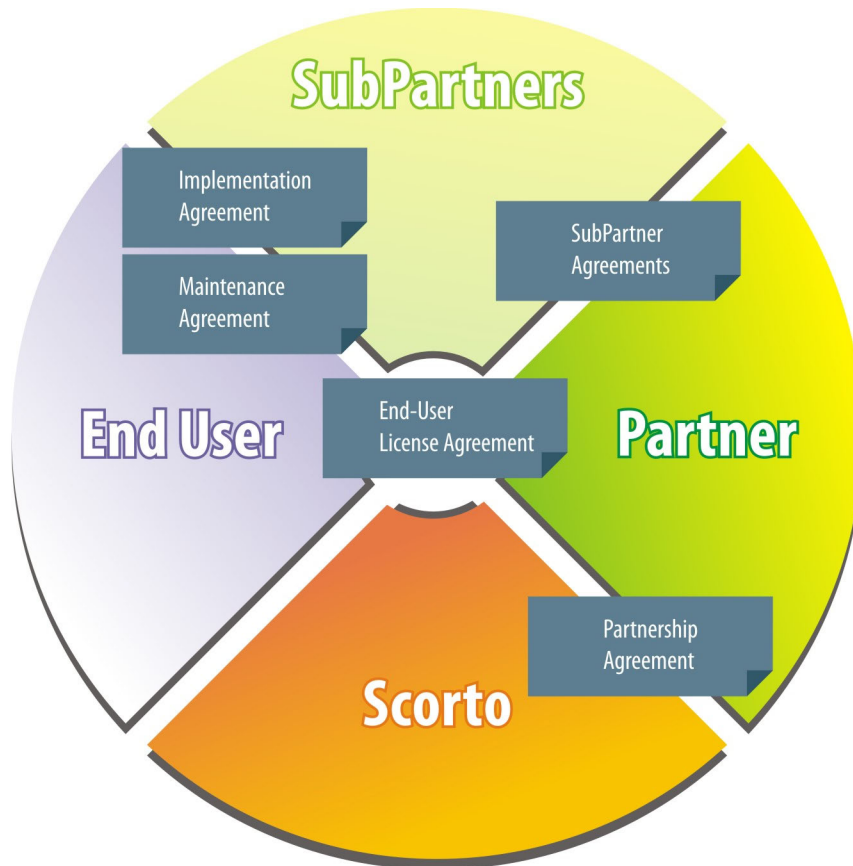
## Commercial Arrangement #3



This work plan is similar to Work Plan #2; however, it involves a trilateral agreement between Scorto, its Partner and the end-user.

Within this work plan, Scorto shares some of maintenance work with its partner.

#### Commercial Arrangement #4



This model is similar to Work Plan #1, except that, within this plan, the Partner subcontracts implementation and maintenance work to a third party.

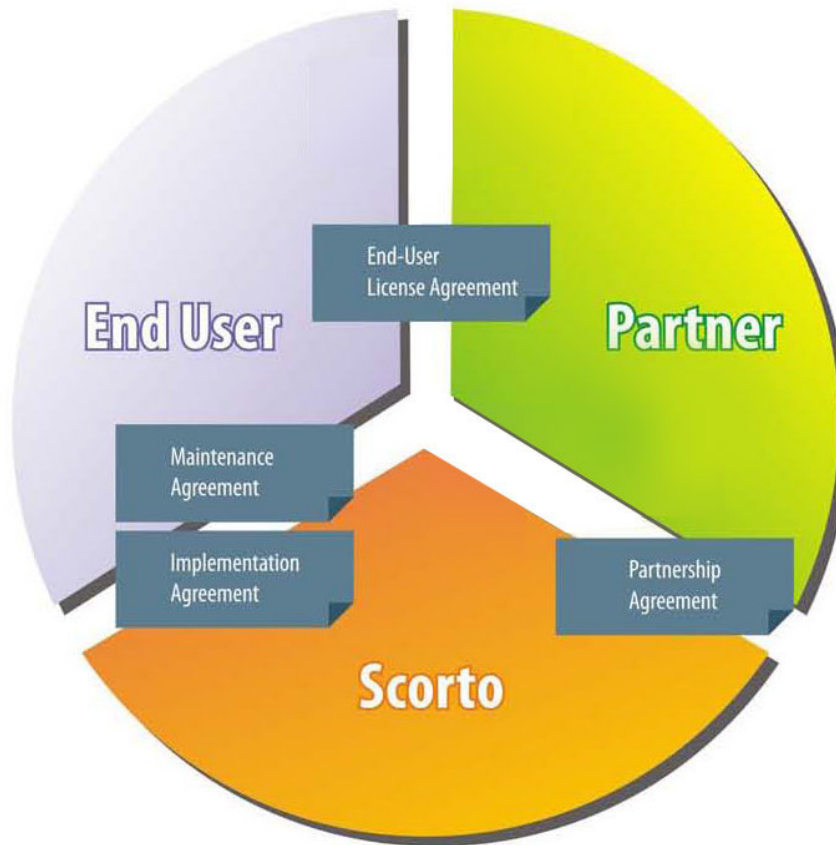
The end-user signs implementation and maintenance agreements either with the Partner or with the Partner's subcontractors.

#### Working with Partner's Subcontractors

The Partner's subcontractors have no business relations with Scorto; Scorto in no way limits prohibits and demands a commission regarding the work performed by subcontractors. The Partner is responsible before Scorto and the end-user for executing such work.

The Partner may subcontract several third-party companies for the purpose of organizing its everyday business of representing Scorto's interests. However, the Partner rather than third parties or subcontracted companies bears responsibilities and contractual obligations. Scorto has no contractual relationship with third parties subcontracted by the Partner.

Companies subcontracted by the Partner must be accredited by Scorto for the purpose of performing implementation and maintenance work related to Scorto software. Certification shall be arranged in accordance with the present program.

**Commercial Arrangement #5**

In this work plan, the Partner is responsible only for selling Scorto software to the end-user. The Partner does not carry any work on implementing the software; however, the Partner provides consulting services related to the software sales and signs the Licensing Agreement with the end-user.

# 5. Partner's Personnel Training and Certification

In order to properly market and sell Scorto's products and services, we feel it is vital that our Partner's personnel are adequately familiar with our offerings. As a result, we require our Reseller and Representative Partners to dedicate time for their commercial staff to be properly trained on the use, value propositions, and applications of Scorto's portfolio of offerings. This is generally an 8-16 hour course which we require to be refreshed annually.

In addition, to perform work on integration, implementation, fine-tuning and maintenance regarding Scorto software, the Reseller or Representative Partner or its subcontractor's personnel must have appropriate certifications issued by Scorto that confirm their qualification and authorization for performing such work.

**The Partner's personnel certification** — these are in-depth trainings that are arranged by Scorto experts and followed with mandatory attestation.

Only after the certification the Partner has the right to perform corresponding work for the end-user without involving Scorto experts.

The Certificate is valid for 12 months; after the expiry date the Partner's personnel must be re-certified by attending training sessions if necessary.

For Referral and Reseller Partners, Scorto may charge a fee for the certification of the partner's personnel.

Typically, Reseller and Referral Partners are charged \$1,500 per employee who attends a 4-day training period, provided that these trainings are performed in Scorto's Research and Development Center. If the trainings have to be provided on the Partner's premises (in the case of Referral and Reseller Partners, or if additional sessions are required by any partner), an additional amount is charged to cover travel and accommodation expenses incurred by Scorto's expert(s). The exact amount to be paid is unique (and agreed to in advance) for each specific case.

When the Partner's experts have been certified, the Partner has the right to perform the following types of maintenance work regarding Scorto's software:

- Provision of oral and written consultations regarding the use and fine-tuning of Scorto's software;

## Integration / Implementation

- Scorto software for enterprise servers (per CPU) integration with third-party systems

### Partner's Personnel Training and Certification

- Integration with external data sources
- Development of GUIs for the custom workplaces
- Development of workplace templates and creation of new services (user roles).

### Setup and Parameterization

- Setup of decision and process flow strategies, Scorto Core parameterization;
- User role administration.

### Organization of trainings, consultations and other forms of education

- Provision of training sessions and seminars regarding the use and fine-tuning of Scorto's software;

Certification is provided on a personal basis for every Partner's expert who is responsible for carrying out corresponding work.

Certificates issued to the Partner specify the name and surname of the expert who is authorized to perform corresponding work.

## 6. Structure

### Definition of Project

Major activities performed by the Partner in order to represent Scorto's interests in local markets can be divided into 2 main areas:

- Selling Scorto software;
- Provision of consulting and software-development services that are related to sales and subsequent implementation/use of Scorto software.

This area covers the following:

- Implementing Scorto software;
- Installing and fine-tuning Scorto software;
- Supporting and maintaining Scorto software.

If the Partner regards all of the above mentioned areas as a whole and is ready to sell Scorto's software and later implement and maintain it, then we use the term Project.

**Project** is a business cycle of interaction between the Partner (and Scorto) and the end-user in the process of selling Scorto software and its subsequent deployment and maintenance.

A typical project contains several stages. Depending upon the end-user's needs and software items that have been sold, some stages can be absent.

### Project Stages

There are the following stages in the Project (shown in logical sequence):

**STAGE 0 (PRE-SALE ACTIVITY)** Sales support. At this stage Scorto provides its Partner with all necessary informational and marketing materials for the purposes of the present program as well as consultations that are necessary for successful sales of:

- Scorto software
- Value-added services (implementation, setup, model creation and so on)

**STAGE 1 (SALE)** Sales of Scorto software. At this stage the end-user signs license and right-of-use agreements concerning Scorto software.

**STAGE 2 (IMPLEMENTATION):** Pre-Project business analysis is performed to assess the ways of integrating Scorto software into the customer's infrastructure, Scorto software implementation setup and launch. At this stage the Scorto software implementation agreement is signed. Implementation is performed as follows:

**Phase 1** — provision of pre-project analysis, formation of technical specifications. After the customer signs the technical specifications, final due dates and implementation costs become known.

**Phase 2** — performance of implementation, integration, setup and deployment work (in strict accordance with the technical specifications).

**STAGE 3 (MAINTENANCE)** Maintenance and technical support of the software that was installed for the end-user. At this stage, the end-user signs the technical maintenance and support agreement. Scorto software is accepted for in-use maintenance.

### Organization of Partner Relationships

As stated above, partnership with Scorto falls into 3 general categories. Those categories along with the expected roles, responsibilities, benefits and commitments from both sides are as follows:

#### ***Referral Partner:***

Scorto Responsibilities:

- Provide necessary marketing and technical support to secure the opportunity at hand;
- Provide necessary resources to develop strategy for approaching the client and/or submitting a comprehensive proposal;
- Provide all necessary materials and support to complete the project (as defined in this section);
- Schedule, organize, and host regular meetings/conference calls until the completion of the project (sales cycle)
- All post sale support including implementation and technical support for all products sold in the project.

Referral Partner Responsibilities:

- Provide the lead;
- Provide intelligence from the local market, and potential client;
- Provide all necessary local market and client facing support;
- Attend all client facing meetings in conjunction with or on behalf of Scorto;
- Attend regular meetings with Scorto until completion of project (sales cycle).

Benefits:

- Access to Scorto products, services, and support;
- Ability to leverage Scorto's references, experience, and expertise;
- Significant additional revenues;
- Opportunity to grow market share and attract additional customers to currently offered products and services



**Reseller Partner:****Scorto Responsibilities:**

- All of the responsibilities listed for a Referral Partner
- Guaranteed priority assignment for leads developed in the reseller partner's realm of influence (if alerted of the opportunity by the reseller partner within 7 days of receipt from another participant);
- Opportunity for deeper discounts based on sales and revenue goals achieved;
- Host bi-monthly meetings/conference calls to review sales and technical activities along with development of opportunities for improvement;
- Provide additional support services such as Proof of Concepts, custom marketing materials, assignment of a Scorto Account Manager dedicated to ensuring that all requests are handled and fulfilled in a timely manner.

**Reseller Partner Responsibilities:**

- Training of both sales/marketing and technical personnel according to Scorto standards (certifications may be required for certain functions);
- Regularly promote Scorto products and services;
- Attend bi-monthly meetings;
- Provide all necessary local market and client facing support;
- Attend all client facing meetings in conjunction with or on behalf of Scorto;
- Attend regular meetings with Scorto until completion of project (sales cycle);
- Provide local market intelligence;
- Provide Scorto with a report bi-monthly detailing activities, current sales pipeline, current client issues, etc.

**Benefits:**

- All of the benefits a Referral Partner has
- Ability to provide implementation and support services (based on Scorto certification) for additional revenue streams;
- Priority access to leads received directly by Scorto;
- Increasing discounts based on sales and technical milestones accomplished;
- Ability to become a Representative Partner based on the achievement of revenue milestones;
- Additional references and opportunity to expand into other market segments and industries.

**Representative Partner:**

In order for a partner to attain "Representative" status, a thorough review of the partner's place in the market will be conducted by Scorto (in lieu of a partner earning this status through historical performance working with Scorto). Upon completion of this review, Scorto may recommend to the proposed partner the opportunity to be a Representative Partner. It will then be up to mutual agreement for this status to be awarded. Upon mutual acceptance, it is understood that the arrangement between Scorto and the Representative Partner will be reviewed annually based on performance and quality of interactions.

The conditions of this arrangement are as follows:

### Scorto Responsibilities:

- All of the responsibilities listed for a Referral and Reseller Partners;
- Guaranteed exclusivity in the markets/accounts the Representative partner is currently operating;
- Provide deeper discounts on all products;
- Host monthly meetings/conference calls to review sales and technical activities along with development of opportunities for improvement;
- Provide all necessary and requested trainings for the Representative Partner;
- List the Representative Partner as a Scorto Location on the Scorto Web Site;
- Have the Representative Partner automatically sent all information requests/leads in the Partner's realm of influence;
- Provide additional support services such as Proof of Concepts, custom marketing materials, assignment of a Scorto Account Manager dedicated to ensure that all requests are handled and fulfilled in a timely manner;
- Help to develop the Representative Partner's business in the areas (and with the accounts) Scorto currently has a presence.
- Resources allotted for client meetings, trade shows, exhibitions, and other "in-person" events anywhere in the world.

### Representative Partner Responsibilities:

- Regularly promote Scorto products and services;
- Attend monthly meetings;
- Provide transparent access to the Scorto Sales pipeline (current leads, status, next steps, etc.);
- Provide all necessary local market and client facing support;
- Commit to annual sales and revenue targets which will be agreed upon along with Scorto;
- Attend all client facing meetings in conjunction with or on behalf of Scorto;
- Attend regular meetings with Scorto until completion of project (sales cycle);
- Provide local market intelligence;
- Provide Scorto with a report monthly detailing activities, current sales pipeline, current client issues, etc.

### Benefits:

- All of the benefits Referral and Reseller Partners enjoy
- Ability to grow your business in new markets;
- Global advertising and publicity;
- Bonuses and global recognitions based on performance;
- Direct access to Scorto's client's and other partners;
- Free of charge and deeply discounted trainings;
- Leads sent directly from Scorto's web site to assigned personnel.

# 7. Definition of Project Costs, License Fees, Price

## Price Formation

Regardless of the arrangement Scorto and our partners have in place, there are 2 price-forming factors in every project (Scorto software sales) performed by the Partner for the end customer:

- Scorto software license fees
- Scorto software implementation and consulting costs

Either of these factors can have different weight in the final price of the project; that depends on the following characteristics of the Project:

- The range of Scorto software items that were sold (types of modules, quantity and so on)
- Integration of the required system configuration, additional software development, customized functionalities (if any).

In some Projects, no implementation work is performed (for example, when Scorto stand-alone modules are sold).

## Licenses and Prices

In this program, the Partner gets revenue from the difference between the price at which licenses are sold to the Partner and the price at which the Partner sells the licenses to the end-user. The difference between these two prices is generally 25%. However, we work with our partners to balance maximum profit for our partners, while at the same time ensuring the integrity and brand image of Scorto.

An example of an agreement on License fees which are given to our partners is shown in the table below:

Product Name (Version)	End-user price, €	Partner Price, €
Scorto Loan Decision		
Scorto Behavior		
Scorto Ample Collection		
Scorto Fraud Barrier		
Scorto Loan Manager SME		
Scorto Supervisor		

The **end-user price** is the price at which Scorto sells its software products directly (without partners' involvement) to the end-user.

The **partner price** is the amount that the Partner pays to Scorto when a software product is sold to the end-user.

The prices indicated in the Partner Price column are the minimal possible prices for the Partner. The Partner has the right to sell Scorto software to the end-user at a price, which is lower than the indicated end-user price; however, the Partner will have to pay Scorto the indicated Reseller Price. In addition, if the Partner can sell the solution for more than Scorto's retail price, Scorto reserves the right to discuss this with the Partner and potentially negotiate an alternate price for the end client. However, Scorto guarantees our Partners that our prices to our resellers will never be increased based upon a unique opportunity nor without 30 days prior written notice.

### **Rates of Scorto Specialists for implementation and support**

In cases when Scorto specialists' involvement is required (described below) the following is an example of per hour rates which Scorto will provide to our Partners (excluding the travel and accommodation expenses). This is all provided to each Partner prior to entering a partnership agreement and generally updated annually.

<b>Specialist</b>	<b>Rate per hour, US\$</b>
Project Manager	
Business (System) Analyst	
Developer	
QA Engineer	
Support Engineer	
Scoring Expert	

If the Partner manages to charge greater than Scorto's expert hourly fee than the amount indicated in the rate-per-hour column of the table, then Scorto's fee remains the same and the difference is considered to be the Partner's income.

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## 8. Implementation Expenses

### Implementation Work

Reseller and Representative Partners can obtain the right for independent implementation, installation and setup of Scorto software that is sold to the end-user. To obtain this right, the Partner's experts must be certified by Scorto.

If the Partner performs implementation, installation and setup work independently (without involving Scorto's experts), the Partner keeps the entire amount of the sum that was paid by the end-user for executing the aforementioned work.

If the Partner feels that Scorto experts have to be involved in execution of implementation, installation and setup work related to Scorto's software, the fee charged by Scorto is according to the table of specialists' per hour rate, included to current document (the fee is defined in detail in the Partnership Agreement and can vary depending on the market in question).

Typically, the payment schedule is as follows: 50% of the total cost of work is paid before the work is performed and 50% of the total cost of work is paid after the work has been completed but not later than within 10 bank days as of the date, on which the Acceptance Act is signed.

This payment method is typical but it can be changed depending upon the particular local market. The final version of the payment schedule is specified Scorto Implementation Agreement.

## 9. Project Support

After Scorto's software has been implemented for the end-user, a software support and maintenance agreement can be signed. In addition, Scorto will train our Reseller and Representative Partners to handle Level 1 services for a nominal fee. This would ultimately lead to certification of the Partner's personnel to perform this task. In this scenario, Scorto will be compensated with a fraction of the normal extended warranty support price (generally Scorto will bill at 5% of the sale price annually).

### Support Levels

There exist several types of tasks that are defined as "software maintenance" or "technical support". These tasks are divided into two levels — Level 1 and Level 2.

The Partner can provide **Level 1 support** services under the conditions laid out above.

#### Level 1 support

- Installation and configuration of Scorto software
- Ongoing consultations on all issues related to using Scorto's software:
  - by telephone;
  - by email;
  - via online conference calls.

#### Level 2 support

- Correction of irregularities and possible bugs in Scorto's software products;
- Provision of Update Packs;
- Provision of Upgrade Packs;
- Modifications of the software in accordance with the end-user's requirements and development of customized functionality;

The Partner has no right to modify or decompile the source code of Scorto's software products.

An additional trilateral software support and maintenance agreement can be signed by Scorto, its Partner and the end-user to formalize trilateral cooperation and responsibilities of the sides.

### Technical Support Prices

In the event Scorto will provide all maintenance and support services, the price of standard technical support services is 20% of the license fee purchased by the end-user.

If a credit organization purchases additional licenses, the price of technical support services is increased by the amount equal to 20% per annum of the price of additional licenses.

During the period of technical support the end-user is offered:

- Free updates
- New versions of Scorto software products in accordance with the purchased licenses at a discount.
- Other new software products developed by Scorto at special prices.
- Consultations on all issues related to the administration and use of the system. Such consultations are provided by Scorto's Technical Support Service by telephone (9-18 on workdays) or via email (answers are sent within 1 workday).
- Correction of errors in Scorto's software that have been made by Scorto's developers.
- A higher priority in processing requests for system improvement in later versions.
- A higher priority in processing requests for additional functionality development.

### **Price Calculation for Work on System Improvement and Additional Functionality Development**

Scorto provides additional functionality development services related to the various solutions and platforms offered. This development can be carried out within the framework of the Implementation Agreement or in accordance with a separate additional agreement.

The amount of the work to be done and a budget are defined following the analysis of additional functionality required by the end client (user). The cost of the service is calculated based on per-hour charges for the work performed. The costs of the work are listed in the table Rates of Scorto Specialists for Implementation and Support excluding travel expenses.

The end-user (client) participates in the process of developing the required additional functionality. The degree of participation is defined by the Partner and/or End-User (client). The minimal degree of participation involves the formulation of the task from the business point of view and formalization of the technical task. The maximum degree of participation involves independent designing of new document types, creation of XML-descriptions, creation of visual and print forms, addition of service dictionaries as well as development of client and server business logics.

The following functions are mandatory for Scorto when developing additional functionalities: Analysis and monitoring of the code created Partner and End-User (client), final compilation of an individual version of the system, system testing, ensuring of authenticity and completeness of individual modules.

### **Development of Scoring Models**

Scorto's experts are widely experienced in creating scoring models for the biggest banks worldwide; this guarantees that comprehensive and high-quality models are created taking into account specific characteristics of a particular market.

The Partner as the company that represents Scorto's interests on a particular market is paid a commission of 15% of the price of every project related to the creation of scoring models if the Partner arranges such a project on the corresponding local market.

The process of developing a customized scoring model for a bank always involves a one-year maintenance of the model (methodological support). During the period of methodological support, the quality and reliability of the scoring model is constantly monitored. Experts perform in-depth analysis of data and calibrate the model to ensure that it remains actual and valid for ever-changing market conditions.

The average price of a project for developing a scoring model is €35 000. The exact price is defined in the corresponding agreement and can vary depending upon the market in question.

The result of the work is the following:

- Technical documentation for using the scoring model;
- Definition of variables for subsequent assessment of the scoring model;
- Final result in the form of a mathematical model and interpretation rules for the model.

### **Methodological Support and Scoring Model Monitoring Services**

Scorto provides maintenance services for developed scoring models. The end-user is charged the average amount of €15 000 a year for the model maintenance services. The exact amount to be charged is defined in the appropriate agreement and can vary depending upon the market in question.

The Partner as the company that represents Scorto's interests on a particular market is paid a commission of 15% of the price of every project related to scoring model maintenance and support if the Partner arranges such a project on the corresponding local market.

The model maintenance services include the following:

- Quarterly analysis of the performance of the scoring models being maintained and evaluation of the way the models segments borrowers by their rating.
- Quarterly assessment and evaluation of the clients expert observations, overrides, analysis of reasons and specifics of the clients business workflow that requires updating the scoring models that are being maintained
- Development of recommendations and implementation of adjustments and calibrations into the developed scorecard each quarter.
- Logging of work carried out and obtained results for all assessments of the model performance quality and changes implemented into models



**Agreements**

- Arrangement of a yearly discussion on the Client's premises (business trip costs are not included) or via web-conferencing tools to discuss information about scoring model performance for further statistical analysis and appropriate adjustment of the scoring models
- Methodological consultations on the use / adjustment / implementation of the scoring model ("hotline"):
  - Via telephone and/or teleconference;
  - Via electronic means (e-mail, fax, etc.);
  - Through the use of electronic (web-based) conferences.
- Priority processing of new consulting and scorecard development requests.

# 10. Agreements

There are several types of agreements that define how Scorto, its Partner and the end-user interact.

## Partnership Agreement

- Signed by Scorto and its Partner once the appropriate level of partnership is determined;
- This agreement defines the right of the Partner to represent Scorto's interest on specified markets;
- The agreement formalizes all possible interactions within the framework of cooperation and representation of Scorto's interests on specified markets;
- The agreement defines the Partner's status.

## License Agreement

- Signed by the Partner and the end-user;
- The format and contents of the agreement are defined by Scorto;
- The Agreement defines the license prices for the end-user and grants the end-user the right to use Scorto's software products.

## Pre-Project Analysis Agreement

- This agreement can be absent, since its major terms and conditions can be included in the Implementation Agreement;
- The Agreement is signed by the end-user and the Partner, if all work will be performed by the Partner;
- If Scorto's experts are involved in executing the work, Scorto and its Partner sign a sub-contract. This agreement can be the reverse copy of the pre-project analysis agreement.
- The format and contents of the agreement can be defined by both Scorto and its Partner;
- The Agreement defines the costs and timeline of the work related to investigating the end-user's infrastructure and to formulating a Statement of Work (SOW) for the implementation of Scorto's software products.

## Implementation Agreement

- Signed by the Partner and the end-user;
- If Scorto's experts are involved in executing the work, Scorto and its Partner sign a sub-contract. This agreement can be the reverse copy of the implementation agreement;
- The format and contents of the agreement can be defined by both Scorto and its Partner;
- The agreement defines the costs and timeline of the work related to implementing and commissioning Scorto's software products on the end-user's side.

### Software Maintenance and Support Agreement

- Signed by the Partner and the end-user;
- In some cases, this agreement can be trilateral in order to differentiate the responsibilities of Scorto and its Partner regarding different levels of support;
- If Scorto's experts are involved in providing maintenance and support, Scorto and its Partner sign a sub-contract.
- The format and contents of the agreement can be defined by both Scorto and its Partner;
- The agreement defines the price and payment schedule for Scorto software maintenance and support services on the end-user's side.

### Scoring Model Creation Agreement

- Signed by Scorto and the end-user;
- The agreement defines the amount, costs and timeline of work on creating individual scoring models for the end-user.

### Scoring Model Maintenance and Support Agreement

- Signed by Scorto and the end-user;
- The agreement defines the format of Scorto's expert involvement, costs and timeline of maintaining and supporting scoring models for the end-user.

# 11. Bonus Programs

Bonus programs and their conditions are agreed upon with each Representative Partner individually.

The overall bonus program that is valid for Representative Partners and provides the Representative Partner to use the proceeds as they see fit (reward to outstanding employee performance, deeper discounts to valued customers, etc.). One such program is our offer of special reseller prices on Scorto's software products for the period of four months as of the date the Partnership Agreement is signed.

As an example:

Product Name (Version)	End-user price, €	Partner Price, €
Scorto Loan Decision		
Scorto Behavia		
Scorto Ample Collection		
Scorto Fraud Barrier		
Scorto Loan Manager SME		
Scorto Supervisor		

In general, Scorto will provide its representative partners discounts which rise accordingly for meeting and surpassing agreed upon forecasts, or for outstanding service and performance. These savings can be used for higher profits (and shared with high-performing employees) or simply passed along to clients.

In addition, Scorto can/will directly reward partner personnel who perform at extremely high levels through our annual "STARZ" program. In this annual reward program, we ask each partner to submit 1 or 2 employees who have excelled in helping to grow Scorto's commercial interest, along with their performance metrics in certain criteria. Winners will be announced from around the world, and awards will be items such as vacations, cash bonuses, and other items.

# 12. Licensing Policy, Types, Licensing Methods

## License prices

License prices on Scorto's software products and licensing type depends upon the type of a software product.

Product name (version)	End-user price, €	License type
Scorto Loan Decision		Server CPU-license (2 CPU). Additional licenses — 50% of the price.
Scorto Behavior		Server CPU-license (2 CPU). Additional licenses — 50% of the price.
Scorto Ample Collection		Server CPU-license (2 CPU). Additional licenses — 50% of the price.
Scorto Fraud Barrier		Server CPU-license (2 CPU). Additional licenses — 50% of the price.
Scorto Model Maestro		Software license, User license
Scorto Supervisor		Software license, User license

For some customers, other licensing methods can be used, namely, Software leasing, transaction-based licensing fee for the scoring system.

## Annual Licensing Fee

Annual Licensing Agreements are a method of paying for software that is rather different from one-time purchase of the software. For some organizations, this method can be more optimal than a one-time purchase. For example, this option could allow a potential client to move more quickly because the costs can be recorded as operational expenses instead of capital spending.

This method assumes that a client pays Scorto a certain amount (a monthly fee based on the purchase price of the software accounting for time and risk). The client is free to use the solution for as long (and as frequently) as desired.

Monthly payments for clients and corresponding minimum amounts paid by the Partner to Scorto per software product are listed in the table below:

Product name	€ End-user price	€ End-User yearly payment	€ Reseller yearly payment
Scorto Loan Decision			
Scorto Behavior			
Scorto Ample Collection			
Scorto Fraud Barrier			
Scorto Loan Manager SME			
Scorto Supervisor			

# 13. Presale Activities. Marketing and Informational Support

## Scorto's informational and marketing materials for presale activities

In order to support presale events, consultations and meetings with potential customers, Scorto provides all of our Partners with all required informational and marketing materials:

- Presentations about the company and its solutions;
- Demo-versions of some of the Scorto software modules;
- E-copies of brochures and leaflets containing information on products and solutions.

Representative and Reseller Partners are entitled to having their logo's and corporate information placed in Scorto's materials.

For the purpose of presale activities, the Partner has the right to expect that Scorto's professionals will provide help in preparing custom marketing materials (design and page-making), namely:

- Materials about Scorto's (Partner's) products, services and solutions in the national language on condition that the Partner provides source texts;
- Any other additional materials that the Partner considers important for the purpose of representing Scorto's interests on the market in question (on condition that the Partner provides source texts);

## Logo

The Scorto Reference for Logo Use defines the rules for using Scorto's logo.

## Presale presentations

Scorto provides all necessary support to all of our Partners for organization and arrangement of presentations on the potential customer's premises.

The following rules define the way Scorto's experts can be involved in presentations on the potential customer's side:

- WebEx presentation is provided free of charge;
- For Representative and Reseller partners, we will provide on-site appearances and support for even the first presentation for a potential customer free of charge. For Referral Partners, attendance and actual participation will be at Scorto's sole discretion. Or, Scorto will attend if the Referral Partner reimburses Scorto's expert for travel and accommodation and expenses or these expenses are shared between the Partner and Scorto;

- Scorto will also provide in-person support to our Representative Partners for any events (such as conferences, seminars, etc.) which are mutually agreed upon in advance.

## 14. Reporting

Conditions and periodicity of the Partner's reporting are defined in the Partnership Agreement, agreed work plan and reporting period that was defined for the Partner.

### Subject of reports

Reseller and Representative Partners are obliged to report all marketing, client lead developments, and customer service (including technical and general satisfaction) efforts and events that are related to the promotion and support of Scorto products, namely:

- contacts with potential partners,
- presentations
- additional marketing events such as
- seminars;
- advertisement campaigns in mass media.

The Partner is also obliged to report:

- the current requirements of potential customers for additional technical information that Scorto can provide;
- the current requirements of potential customers for additional marketing information that Scorto can provide;
- additional events such as extra presentations and/or advertisement campaigns.

The format of the Partner's reporting is defined in a special document (or Annex) that formalizes a procedure for sending reports electronically or as a hardcopy.

### Reporting failure

Systematic failure to provide reports within the time specified in the Partnership Agreement or other additional agreements between Scorto and the Partner can be the reason for reviewing the work plan for the Partner as well as for reviewing some terms and conditions of the Partnership Agreement regarding financial relations and/or special condition of the work plan that Scorto offers to the Partner.

# 15. Compliance Monitoring

Scorto systematically monitors our Reseller and Representative Partner's marketing activities to determine their compliance with the conditions of the work plan (program) for the appropriate Partner level and with the terms and conditions of the Partnership Agreement.

The monitoring is realized in order to:

- systemize and optimize its marketing research ;
- for the purpose of contact registration by their characteristics (geographical, regional, by partner and so on);
- to speed up the process of decision-making in relation to signing agreements with potential customers.

Scorto monitors the Partner's compliance with the terms and conditions of the partnership program through reviewing the reports that the Partner systematically sends within the period of time defined in the Partnership Agreement or in additional agreements.

Periodicity of monitoring is defined in terms and conditions of the Partnership Agreement. This could be in the form of quarterly/monthly reports on marketing and promotional activities performed by the Partner that are sent electronically or by mail to Scorto.

The report must contain information as it is described in the section 14 of the present document. The report must correspond to the agreed work plan. The format of the report must be in accordance with section 14 of the present document.

Scorto has the right to perform onsite monitoring of compliance through

- visiting potential customers;
- coordinating joint marketing and advertisement events;
- by customers' demand within a trilateral agreement or without it.

Scorto reserves the right to visit the Partner to monitor the current state of affairs within the reporting period in accordance with the terms of partnership.

In accordance with the terms and conditions of monitoring specified in the program the Partner is obliged to inform Scorto about all other contacts with third parties that are potentially capable of promoting the Scorto's products and solutions in order to optimize the Scorto's and Partner's marketing activity on the territory.



# 16. Duration of Partnership, Termination of Partnership

Duration of Scorto's partnership program can be determined in the following ways:

## **Duration of Partnership for Representative Partners**

The period of partnership is limited to 1 calendar year. If within the year the Partner fails to meet agreed upon objectives and targets, Scorto reserves the right to suspend partnership relations with the Partner or to change the partnership level, and/or privileges. This is done in order to optimize the ability to promote Scorto's interests in various strategically important markets, and to prevent lags in growth.

## **Duration of Partnership for Reseller Partners**

The duration for this type of arrangement is also for 1 year. Upon completion of the first year, the arrangement will be reviewed for the purpose of potentially justifying an increase in the privileges, benefits and level of partnership previously used.

## **Duration of Partnership for Referral Partners**

Duration of Scorto's Referral Partnership Program depends upon the duration of the project. If the Partner is engaged in a Scorto-related project, the partnership program is prolonged until the end of the project and can be prolonged at least one additional year as described in the Partnership Agreement, provided that neither side desires to terminate such partnership.

## **Partnership Termination**

Both Scorto and its Partner can initiate the premature termination of the partnership as described in the Partnership Agreement.

If the partnership is to be terminated, all current projects must be completed in order to maximally satisfy end-users' needs and requirements.

■ Scope of Application

■ Partners

■ Work Plans for Partners

■ Partner's Personnel Training  
and Certification

■ Project

■ Definition of Project Costs, License  
Fees, Price

■ Implementation Expenses

■ Project Support

■ Agreements

■ Bonus Programs

■ Licensing Policy, Types, Licensing  
Methods.

■ Presale Activities, Marketing  
and Informational Support

■ Reporting

■ Compliance Monitoring

■ Duration of Partnership, Termina-  
tion of Partnership

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