Channel Partner Guide



Guide to Patton Partner Profitability



Contents

I	Introduction 3
II	Brands and Portfolios 4
Ш	Program-at-a-Glance
IV	Program Benefits 7
V	Certified Channel Type Descriptions 9
VI	Multi-Level Sales & Marketing 11
VII	Tiered Pricing
VIII	Training Programs
IX	Product Specializations 15
X	Development Funds
XI	Stock Rotation
XII	Next Steps

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I. Introduction

Introducing Patton's *Global Channel Program Handbook*, your new key to profitability.

The "Global Channel Handbook" is a reference guide intended to detail the means for becoming and maintaining status as a Patton-Certified channel. We have designed a channel program and incentives package ideally suited to Channels addressing the brands in the Patton Portfolio.

- Maximize Margins
- Get Rebates & Market Development Funds
- Protect Your Accounts
- Know Where You Fit
- Earn Benefits
- Get Special Deviated Pricing
- Become a Trusted Specialist

Successful channels rely on principals to mutually invest in business and market development, where the channels' effort and investment is supported, rewarded, and protected.

Patton's strategy is to be a force-multiplier for regional direct "Certified Channels" that are aligned and assigned to indirect "Registered Partners", which include second tier Resellers and End Users in a manner that maximizes channel revenues, limits conflicts between Certified Channels, reduces product overlaps, and delivers the right incentives and margins.

Patton seeks long-term Channel relationships with companies who are committed to the Patton product line, engage in training programs and sales activities, and actively promote the products.

Consequently, Patton has deployed a global channel strategy and program to certify Channels with clearly communicated guidelines. The goal is to establish an organized channel with well understood ground rules.





II. Brands and Portfolios

Each *Patton Brand* is a unique collection of products that address specific market targets.

SmartNode™ Voice Gateways, Routers and ESBCs. Integrates IP and TDM communications for enterprises and carriers.

Tone Commander™ Secure SIP Phones. Trusted TSG and DoD Certified End Points for SCIF and SAPF areas.

CopperLink™ Ethernet Extension Solutions. Re-Purposes Legacy Copper Infrastructure for Connectivity.

FiberPlex™ Secure Digital Fiber Communications. Ethernet, Audio, Video, Telecom, Serial, Alarm, Relay over Fiber.

ArtelTM Media Transport Solutions. Multi-Media Broadcast (Audio & Video over Fiber and IP).

RayTel™ Analog and Digital Modems. Legacy Industrial Dial-Up, Leased-Line & Private Line Modems.

OnSite™ Network and Service Termination Devices. Converged CPE, IP Routers, DSL Routers, & NTU/CSU/DSU.

ForeFront™ Edge Network and Service Termination. TDMoIP, IPoTDM, RAS, DSL Access Multiplexers, T1/E1 Multiplexers.

Connect-ITTM Extend, Convert and Protect Datacom. Serial Line Drivers, Multiplexers, Baluns, Protectors, Adapters, Converters.





















II. Brands and Portfolios (cont.)

Taken together the Brands address specific market targets. <u>Brand-based Tiered Pricing</u> enables Patton to allow all channels to access the entire portfolio while providing competitive advantages to Channels with various Brand and Market base Specializations.

Secure Telephony



- Tone Commander SIP End Instruments
 - Assured Services SIP with MLPP.
 - · APL Listed. DoD JITC UC certification.
 - TSG-6 Certified Committee on National Security Systems (CNSS).
 - Deployed in SCIF (Sensitive Compartmented Information Facility).
- SmartNode VoIP Gateways & SBCs
 - Point of Service (Gateway) between legacy TDM and IP/SIP devices and networks.
 - Migration, security, inter-networking, quality of service.

Datacom

- RayTel Industrial Modems
 - Dial-Up, Leased & Private Line Analog Models.
- ConnectIT Serial Connectivity
 - Interface Converters, Line Drivers etc.

Cyber Security



- · FiberPlex Secure Fiber Communications
 - Secure Conversion, Isolation and Transportation of data.
 - · Bit Cleaning
 - Suppression of compromising emanations.
 - · Tempest standards and ITAR controlled.
 - Wave Guide Filters for containment of RF emissions from SCIFs.
 - SFP Data Diodes for physical layer air-gap network separation using uni-direction communications.

Media Transport

- Artel Media Transport Products
 - Media Broadcast.
 - Multi-Media Over IP & Fiber.
 - Contribution, Production and Distribution Networks.

Connectivity



- · Copperlink Ethernet Extension
 - Extend Ethernet Over Copper.
 - Any Topology (PtP, MP, PtMP, MDE, Ring).
 - Depth of line for various Rates.
 (bandwidth) and Reach (distance).
- · ForeFront Multi-Service Aggregation
 - · Multiplexers, TDMoIP.
 - Digital Access Cross Connect Switches.
- OnSite Enterprise CPE
 - DSL Modems/Routers.
 - · WAN Access.



Industrial Ethernet

- FiberPlex Industrial Ethernet
 - Ruggedized Ethernet Switches.
 - Media Converters.
 - · POE injectors & splitters.



III. Program-at-a-Glance

Patton's Channel Program has been designed to fit the different needs and business objectives of our various Channel partner types. Whether your company is focused on distribution, prime contracting, sub-contracting, systems integration, value-added resale, or e-commerce, Patton has the products, support and the programs to become one of your top suppliers.

For details on Tiered Pricing and Incentive Programs, please consult the appropriate section of this manual.



		VAR	Direct Response	Companion Channel	Integrator	Value Added Distributor	Distributor*
General							
Annual Volumes		\$50,000	\$50,000	\$100,000	\$250,000	\$500,000	\$1,000,000*
Sales Restrictions		End Users	No Restriction	With Companion Partner Solutions	No Restriction	Resellers Only	Resellers Only (Contractual)
Standard Pricing Tier	(see pg 13)	Tier III	Tier III	Partner Specific	Tier II	Tier II	Tier I
Earned Specialization Tier	(see pg 15)	Tier II	Tier II	Partner Specific	Tier II - 5%	Tier I + 5%	Tier I
Program Benefits							
Development Funds	(see pg 16)	No	2%	Partner Specific	2%	Up to 4%	2%
Stock Rotation	(see pg 18)	No	Yes	No	No	Yes	Yes
Assigned Registered Resellers	(see pg 12)	No	No	Yes	No	Yes	No
		Pro	ogram Requ	uirements			
Certified Sales Personnel	(see pg 15)	5	5	5	5	5	5
Certified Technical Personnel	(see pg 15)	1	2	2	2	4	Negotiated
Point of Sale Data		No	Yes	No	No	Yes	Yes
*Distributor Annual Volume is a Contractual Commitment							



IV. Program Benefits

(i) Attention All Channels

All Certified Patton Channels are entitled to the following:

Certified Channel Database

Each Certified Channel partner is entered into our Global Channels Database with a profile, certifications tracking and "dashboard" information pulled from the CRM system. The database is accessible to all Patton subsidiaries and joint ventures around the world and is used to promote collaborations based on the channels skills and experiences. The database also relates the Certified Channels to Registered Partners, tracks Certifications and contains marketfocus, product-focus and purchased products history. The database also contains information about the channel inventory status for channels participating in the Stock Rotation program.

Patton Partner Portal



Assigned Territory Manager

A specific Region or Territory Manager who is knowledgeable on Patton products and the relationship with the Partner. The Territory Manager is your "champion" and go-to person within Patton.



Pre-Sales Support

A top-notch sales and marketing group who can answer questions regarding applications and specifications to help make your sales effort a smooth one.

Post-Sales Support

A top-notch technical services group who can help to trouble shoot implementation and integration issues. Patton's unique and popular lifetime support on our products provides a significant competitive advantage.



IV. Program Benefits (cont.)

(i) Attention All Channels (cont.)

All Certified Patton Channels are entitled to the following:

Newsletters

A NetworkNews publication that provides essential information on newly released products, application notes, success stories, and other relevant information.



Product Collateral

A set of sales and marketing materials including catalogs, product data sheets, and product presentations.



Patton Logos

Patton Brand logos may be used by partners per Patton's logo guidelines.















V. Certified Channel Type Descriptions

VAR Channels

This is the entry level Certified Channel for VARs and "lean" Integrators. They promote Patton products into various projects and opportunities using a sales force backed by internal resources or collaboration between

vendors. VAR Channels can earn various specializations. VAR Partners are expected to purchase at least \$50,000 per year in order to maintain their status.

Companion Channels

Companion Channels are the channels of and associated with a Patton Technology or Marketing Partnership.

These Technology Partners are industry peers in

Cooperation Agreements with Patton which includes a level of participating in each other's Ecosystem. These channels are specialized and focused on our partner's technologies and using Patton products to build and bundle solutions. Companion Channels typically distribute/

resell Patton products as a component to an overall solution from opportunities generated by our Technology or Marketing Partner's brand. Patton expects Companion Channels to purchase \$100,000 of select Patton product on an annual basis in order to maintain their status.

Direct Response Channels

Direct Response Channels are re-marketers of Patton products using on-line shopping carts, print catalogs or direct mail as the primary means of promoting Patton in a region or market segment. Direct Response Channels have demonstrated market presence within their industry. Patton has designed a price structure, and incentive pro-

grams designed for the e-commerce, web and re-marketing environment including Market Development Funds and Stock Rotation. Patton expects Direct Response Channels to purchase \$50,000 of select Patton product on an annual basis in order to maintain their status.

Systems Integrator Channels

Systems Integrator Channels have demonstrated their success in recommending products and services within their industry and they have a strong and loyal customer base to which they can promote Patton Products. They must have a strong technical sales force and the demonstrated ability to deploy complex turnkey networks. Systems Integrator

Channels often perform "distribution" functions and services for Patton as well. Systems Integrator Channels will pursue various product specializations and Market Development Funds. Patton expects Systems Integrator Channels to sell over \$250,000 of Patton product on an annual basis to maintain their status.



V. Certified Channel Type Descriptions (cont.)

Value Added Distributor (VAD)

VADs are specialized distributors providing a high level of marketing, sales and technical support to their base of resellers. VADs are selling to resellers, VARs and integrators supporting those channels with a technical team of project management and integration support personnel. VADs must acquire and maintain a high level of technical competence on Patton products and actively engage in establishing the Patton brand in their Territory through marketing, sales and project support activities. Patton

VAD channels have demonstrated their success in effectively supplying the channel, and have a strong and loyal reseller base that prefers to purchase via distribution. Patton has designed a price structure that provides our VADs with the ability to make margins based on special incentive-programs that provide Stock Rotation and funding to create awareness of Patton solutions to the reseller channels. VADs have a target revenue of \$500,000 of Patton product on an annual basis to maintain their status.

Distributor

Distributors are broadline logistics providers focused on holding stock for fast delivery of a wide range of products to a large base of resellers, and sell exclusively to resellers. Patton's Distribution Partners must demonstrate the ability to efficiently supply resellers with Patton product having logistics support systems in place. Distribution Partners have demonstrated their success in effectively supplying

the channel and have a strong and loyal customer base buying via distribution. Patton has designed a price structure that provides our Distribution Partners with the ability to make margins based on special incentive programs that provide Stock Rotation and funding to create awareness of Patton solutions to the reseller channels. Distributors must contractually commit to purchase a minimum purchase of Patton product on an annual basis.



VI. Multi-Level Sales & Marketing

Patton maintains an extensive database of "Registered Partners" representing existing indirect resellers, end users, and highly prospective purchasers of Patton products. Registered Partners include End Users, Carriers, and Resellers of all sorts.

Registered Partners DO NOT purchase directly from Patton and instead are assigned a Certified Channel. All Registered Partners enjoy a direct non-trading "relationship" with Patton; under the direction of the Patton Regional Manager; and are entitled to receive direct support from the factory including commercial, project, sales, marketing, technical support and deal protection. When a Registered Partner is "assigned" to a Certified Channel, the Certified Channel is automatically protected on that account.

Certified Channels

"Certifed Channels" are partners buying directly from Patton for the purpose of resale who are officially certified by Patton to resell the various Patton product brands.

Registered Partners

"Registered Partners" are End-Users, Resellers and Carriers registered with Patton and who are purchasing products from a Certified Channels and are tied to a particular Channel for account protection and referral purposes.

Resellers

Unregistered resellers are serviced by Certified Channels and referred at the time of inquiry. In many cases, unregistered sellers become Registered Partners and are assigned to a Certified Channel.



VII. Tiered Pricing

Patton's Global pricing policy affords three Tiers of pricing on a Brand-basis. Each Certified Channel-is given a Price-Tier for each Brand in the Patton portfolio. Price-Brand-Tier decisions are based on the Channel profile, market focus, channel type, and status within the program. Tiered pricing also affords a guideline to all Certified Channels to position pricing to customers.

Tier I

Pricing for true Distributors (not selling to end users). Value Added Distributors can earn Tier I + 5% pricing based on an earned specialization.

Tier II

Pricing for System Integrator Channels and Direct Response Channels buying from Patton. VAR partners can earn Tier II pricing, for certain categories of products, based on an earned specialization. Tier II is also an Ex Works reference price for Registered Partners purchasing from a Distributor or another Integrator.

Tier III

Pricing for VARs buying from Patton and an Ex Works-reference price for non-Certified "Resellers" purchasing from a Distributor or Integrator.



VIII. Training Programs

Patton offers both Sales Training and In-Depth Product and Support Training for various product brands, portfolios, and product lines. These training programs benefit the Certified Channel Partner by increasing product knowledge and improving their ability to close business. Patton's current training courses include the following:

Training Type	Duration	Course Description
Sales Training and Event Participation	Varies	Patton regularly offers Webinars, Seminars, Sales Trainings which are Product, Application, and Solution centric events. Subjects, durations, and timings vary and can be viewed in the Training/Events section of our web site. Channel registration and participation in these events is credited as General Sales Certifications.
SmartNode [™] Sales Certification	2 Hours	Get a complete overview of Patton's SmartNode Voice Gateways, Routers and ESBCs. Discover how SmartNodes are used to integrate IP and TDM communications for enterprise and carrier customers. Understand how SBCs secure and normalize all-IP networks and the game changing power of the Patton Cloud Edge Orchestration solution.
SmartNode™ 1K Series Certification	3 Days	Be ready to converge with the SmartNode [™] 1K technical certification course. This course provides the in-depth knowledge you need to install and configure the complete line of SmartNode [™] VoIP products for data, voice, and telephony applications. The course is both theory and implementation with detailed training on SIP/H.323, TCP/IP, NAT, IPsec VPN, network planning, configuration, and troubleshooting. Hands-on activities cover network analysis, VoIP application assessment, and VoIP troubleshooting with live end-to-end calls with SmartNode [™] devices.
Artel™ Quarra PTP Switch Sales Certification	1 Hour	Gain a deeper understanding of IEEE 1588 Precision Timing Protocol (PTP) and the Quarra PTP Managed Switch Products. Learn about Master Clocks, Transparent, Ordinary, and Boundary Clocking and how they fit with SMPTE and Media Broadcast Networks.
Artel™ Fiberlink Sales Certification	1 Hour	Discover FiberLink transmission solutions for professional AV applications including broadcast, sports arenas, and other large venues, distance learning, houses of worship, transportation hubs, and more!
Artel™ DigiLink and InfinityLink Sales Certification	1 Hour	Deep dive on Artel's flagship, NEBs Level 3 Certified DigiLink media transport platforms and how they solve problems for telecoms, CATV operators, and video service providers for mission-critical primary video feeds. Learn how the InfinityLink enables end users to design and manage complete contribution transport systems from studio to studio or from remote site to network operations center with confidence.



VIII. Training Programs (cont.)

Training Type	Duration	Course Description
Artel™ Systems SMART and OpenGear Sales Certification	1 Hour	Understand the SMART Media Delivery Platform, its Layer 2/3 and JXS/J2K compression technology for multi-media switching and routing. Learn the benefits of the OpenGear open-architecture system for modular video, audio, and control system fitting a standard OpenGear frame.
Tone Commander™ Sales Certification	1 Hour	Learn why Tone Commander Secure SIP Phones are Trusted by Defense and Intelligence Agencies. Understand TSG and JITC certifications carried by Telephony End Points for use in SCIF and SAPF areas.
CopperLink [™] Sales Certification	1 Hour	Understand CopperLink Ethernet Extension Solutions and how to repurpose Legacy copper infrastructure for Ethernet connectivity. Understand the various modulation, transmission, and POE techniques used to deliver rate, reach, and POE power budgets.
FiberPlex [™] Sales Certification	1 Hour	Get a complete overview of how FiberPlex products are used to secure Ethernet, Audio, Video, Telecom, Serial, Alarm, and Relay communication networks by leveraging Fiber. Understand TEMPEST, EMI/RFI, compromising emanations, and how uni-directional data diode fiber SFP secure cross-domain networking.
RayTel™ Sales Certification	1 Hour	Learn about how RayTel legacy Analog Dial-Up, Leased-Line, and Digital Modems are used in modern Utility and SCADA communications networks.
Online Certification Basic & Advanced	Variable	Available 24 hours a day, the Patton Academy offers on-demand learning for channels and partners via the worldwide web. Patton Academy offers a complete web-based technical certification curriculum for Patton products. Successful completion of the curriculum qualifies a student to earn various certifications. Our online training is coupled with hands-on exercises so that the student gains practical experience as well as theory. For hands-on training, training kits are required.

Note: To receive the Certification, the attendee must complete successfully all the course days and pass any Test or exam that may be a part of the course.



IX. Product Specializations

Certified Channels can lower purchase prices on certain products for which they have earned a "Specialization". Specialization Criteria are described below:

Specialization	Requirements			
Unified Communications	5 Active SmartNode™Sales Certifications			
Specialization	2 Active SmartNode™ or Online UC Certifications			
Connectivity & Network Access	5 Active Sales Certifications			
Specialization	2 Active Online Certifications			
Cyber Security Specialization	2 Active Tone Commander, SmartNode, or FiberPlex Sales Certifications			
Industrial Networking Specialization	4 Active RayTel, CopperLink, or FiberPlex Sales Certifications			
Media Transport Certification	3 Active Artel Sales Certifications			



X. Development Funds

Market Development Funds (MDF)

The Development Funds (MDF) program is designed to reward certain Certified Channels and provide funds for local marketing activities. The funds are earned by the Channel and used by the channel under the direction of the Regional Manager.

Eligibility

Development Funds are for Distribution, VAD, Integrator, and Direct Response only. Channels whose Agreements have terminated will forfeit the rights to all unused MDF funds at the date of termination notice.

MDF Amount

The Certified Distributor is eligible for Market Development Funds accrued on Patton products purchased directly from Patton.

The Certified Integrator, Companion Channel, and Direct Response partner are eligible for up to 2% Market Development Funds accrual on Patton product purchased directly from Patton.

Requirements

The MDF accrual is based on Patton receiving a monthly Point-of-Sale (POS) report. The POS report must be submitted in a spreadsheet format and must include The Customer Name, Customer Address, Patton Model No, Quantity, Unit Selling Price, Extended Price, and Date Shipped. All sales must be reported by the 5th business day of the following month to be eligible for the MDF accrual. Channel Partners who choose not to provide POS reports as detailed will not be eligible for MDF.

The MDF accrual is based on Patton receiving a MDF plan detailing the use of the MDF funding for approval by the Regional Manager.

Development Fund Accrual Claim Process

Development Funds are intended solely for marketing activities that promote Patton products and must be used within six months of being reported unless extended by Patton in writing. Patton's Regional Manager along with the Channel Partners key marketing contact must agree on the marketing activity that the Development Fund will fund. An Approval Form is included and must be completed by the Channel Partner and approved by Patton prior to expending any funds. All Development Funds must be used within six months of being reported. Channel Partner grants to Patton the right to audit the subject marketing activities to verify uses of funds. Funds shall be promptly returned to Patton if Patton deems funds were not used as described in the approval form.

Patton reserves the right to modify or cancel this program at any time. The fund is calculated against the Channel Partners price paid for Patton product (line items with associated Patton Model Numbers) at the standard Channel pricing. Development Funds are not paid on special-priced orders. Product returns will have the fund amount (when applicable) deducted from the amount to be credited.



XI. Stock Rotation

Local availability of Patton products is a key driver to revenue for certain channel types. The Stock Rotation incentive is designed to create an incentive for Certified Channels to hold inventory on Patton products and to enable Patton to track the inventory status of the Channel Partner, for the purpose of lead referral.

Eligibility

You must be a Certified Distributor, VAD, or Direct Response Channel to participate in this program. Certified Channels participating in this program must upload their inventory status to a Patton Inventory Tracking Webpage at least once per month. The upload includes only a valid Patton Model Code and the quantity on-hand at the time of the upload.

Rotation Conditions

Quarterly, Patton Certified Channels may exercise their privilege to "rotate" inventories of products originally purchased from Patton. Each return request must be accompanied by a new order of equal or greater value. The total value of the quarterly rotation may include 10% on the first \$50,000 of the previous quarter's shipments and 5% of the previous quarter's shipments thereafter.

Upon receipt of the rotated inventory carrying a valid Patton RMA number, Patton will issue a credit memo for the original purchase cost of the products. The channel will assume all freight, insurance and/or importation cost associated with the returned goods. Customized products, products with orange or red EOL status at the time of the original order, and products sold to the channel more than 12 months prior are not eligible for rotation. Patton will not apply credits for any return which is an "opened box", damaged, out of current revision or end of life products.



XII. Next Steps

Email <u>sales@patton.com</u>, contact a <u>Sales Representative</u>, or <u>Apply Online</u> to initiate a simple on-boarding process.



Notes



www.patton.com

