

# In-Term Subscription Changes

***This policy will apply to all Tier and Product Combination change requests received from 1 January 2025 onwards.***

## Policy statement

This Policy operates in conjunction with the Totara Alliance Partner Agreement (the 'Agreement') to provide clarity to Partners and their customers on how and when invoices will be raised for use of Totara's platform and products.

This policy applies to usage of Totara's platform and products when the invoiced Subscription Term capacity has been exceeded, under-utilised, or when different Product Combinations have subsequently been applied to a customer's subscription.

## Policy definitions

In addition to definitions included in the Agreement, the following definitions apply:

'Overcapacity' – Number of Active Users meets or exceeds 105% compared to the Tier that has been paid for.

'Tier' – the level/tier size of the Subscription relating to the number of active users allowed within the Subscription Term. For example 500, 5000 ("5K"), 50,000 ("50K")

'Tier Increase' – moving a current subscription to a Tier allowing for a higher number of active users.

'Tier Decrease' – moving a current subscription to a Tier restricting to a lower number of active users.

'Product Combinations' – any combination of Totara's individual products. For example, Totara Learn, Learn + Perform, Learn Professional.

## The policy

Partners are required to manage their renewal processes with customers in a timely manner to ensure any changes to subscriptions are notified prior to renewal.

### Overcapacity and Tier Increases

Partners must submit a Tier Increase request via the Subscription Portal (or other partner management system as designated by Totara from time to time) when a Customer subscription reaches Overcapacity.

The request must be submitted in the Subscription Portal **within 4 weeks** of the Overcapacity/Tier change occurring. The pro-rated invoice will reflect the date from the first day that Overcapacity/Tier change is shown in registration data.

If Overcapacity is reached during the Subscription Term, the Partner is obligated to request a Tier Increase and Totara will invoice the new Tier level on a pro-rata basis, taking into account what has already been paid from the first day that Overcapacity is shown in registration data.

However, **if Overcapacity reaches or exceeds 110% at any time within the first 6 months** following the renewal or start of a new Subscription Term, the Tier Increase will be applied and be payable from the start



of the Subscription Term. This is to ensure Totara is paid fairly for what should have been the correct Tier at the beginning of the Subscription Term. An illustrative example is provided below.

If Overcapacity is reached in the last month prior to the renewal date the subscription will only be invoiced at the new Tier from the start of the subsequent Subscription Term.

### Product Combination increases

Partners must advise Totara **in advance** via the Subscription Portal when new Product Combinations are to be added to an active subscription. Totara will invoice the Partner on a pro-rated basis for the usage of additional Products.

### Tier and Product Combination decreases

Totara will accept a request to decrease the level/tier of a Subscription or to remove a Product from a Product Combination within a Subscription at the time of renewal of the subscription for the subsequent Subscription Term, provided that any such request is received by Totara in writing **no less than 60 calendar** days prior to the end of the current Subscription Term.

Any request received less than 60 calendar days prior to the end of the current Subscription Term will result in the subscription being renewed at the prior level / product combination and charged at the prevailing rate for the full subsequent Subscription Term.

### Illustrative example

Example T3K subscription with Subscription start date of 1st January 2024 and renewal date of 1st January 2025

Date	Overcapacity data	Required Level Change and Invoicing
Any	101-104%	<i>Under the Overcapacity limit</i>  No changes
25th June 2024	105%-110%	<i>If Overcapacity reaches 105% within 6 months of the start of the Subscription Term</i>  Pro-rated T5K invoice from 25th June 2024
25th June 2024	111%+	<i>Overcapacity reaches 110% within 6 months of the start of the Subscription Term where the correct Tier was not selected from outset</i>  Invoiced at T5K from 1st January 2024
1st November 2024	105%+	<i>Overcapacity reached more than 6 months after the start of the Subscription Term</i>  Pro-rated T5K invoice from 1st November 2024

1st December 2024	105%+	<p><i>Over capacity but within 1 month of renewal date</i></p> <p>Invoiced at T5K from the renewal date of 1st January 2025</p>
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**Conditions**

- It is the Partner’s responsibility to ensure that the terms of this In-Term Subscription Change Policy have been made clear to all of their Totara customers/subscribers.
- If required Tier changes have not been submitted within 4 weeks of Overcapacity limits being exceeded, Totara may, at its sole discretion, submit this change on the behalf of the Partner and invoice accordingly.
- If Product Combination increases have not been submitted within 4 weeks of an adjustment to a Subscription, Totara may, at its sole discretion, submit this change on the behalf of the Partner and invoice accordingly.

**Policy change log**

Policy version	Change description
v1 October 2022	In-term Subscriptions Changes policy published
v2 November 2023	Over-capacity limits changed
V3 August 2024 (effective from 1 January 2025)	<ul style="list-style-type: none"> <li>• Cancellations section extracted to separate policy</li> <li>• Over capacity definition adjusted to ‘...period meets or exceeds 105%...’</li> <li>• ‘Subscription period’ changed to ‘Subscription Term’</li> <li>• Updated year in illustrative example and added descriptions</li> <li>• Increased the required notice period for ‘Tier and product combination decreases’</li> <li>• Added conditions where Tier changes and/or Product combination increases will be submitted on behalf of the Partner where action has not been taken within the required timeframes.</li> <li>• General wording improvements</li> <li>• Added 60 day notice period for Tier Decreases</li> </ul>