

Third-party sourced Cisco equipment

and appropriate use of special Partner discounts



Cisco Systems values your contributions as a Cisco authorised Channel Partner.

We would like to take this opportunity to remind you about Cisco's group policies and guidelines related to the purchase and resale of third-party sourced Cisco products, as well as Cisco's policy regarding the discounts which Cisco grants to you. Both of these are defined in the agreement you will have entered into with Cisco or a Cisco authorised Distributor ("agreement").

Sale and Purchase of Cisco products by Cisco authorised Channel Partners in Asia Pacific

Becoming a Cisco authorised Channel Partner means that Cisco has authorised your company to resell genuine Cisco technologies and services in a specific region through the Cisco Channel Partners Scheme.

Sourcing of Cisco products for the purpose of resale

Cisco's authorised channel or distribution route

Cisco has two authorised channels or distribution routes:

- **One-Tier Channel mode** – Cisco will sell the products to the Cisco authorised Channel Partners, who will sell the products to the end users.
- **Two-Tier Channel mode** – Cisco will sell the products to the authorised General Distributors, and the authorised General Distributors will sell the products to the Cisco authorised Channel Partners, who will sell the products to the end users.

More information about purchasing Cisco equipment and services is available from the Cisco authorised Channel Partner and Distributor in your area.

Responsibilities of Cisco registered, authorised and distribution partners

Cisco registered or authorised partners:

- Partners outside of the European economic zone are strongly encouraged to sell products only to end users, not other resellers; partners within the European economic zone can sell the products to other Cisco authorised Channel Partners, but cannot enjoy the special discount on the value-add.
- Reselling products from an unauthorised channel is not advised. Unauthorised products do not always come with the necessary software licence and are not supported by warranty.

Cisco authorised General Distributors are strongly encouraged:

- only to sell the products to authorised Channel Partners
- only to sell or purchase products from an authorised channel

To check whether you are purchasing from an approved Cisco authorised Distribution Partner please refer to the most updated list in the Cisco Partner Locator at the following URL: <http://tools.cisco.com/WWChannels/LOCATR/openDistributorSearch.do>

EXECUTIVE SUMMARY

Sourcing products for the purpose of resale

- Cisco expects Distributors to only source Cisco product from Cisco.
- General Partners are expected to only sell products to end users, and not to other resellers.

Resale value add

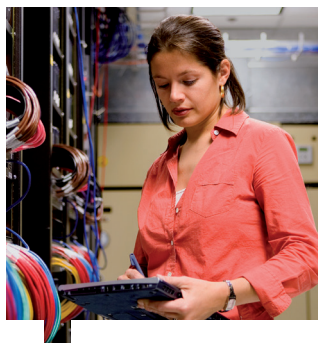
- Value-add is the non-Cisco component of your solution provided to the end user.
- Cisco rewards value-add with additional discounts for systems integrators.
- Cisco reserves the right to withdraw such discounts or special pricing where it determines that value-add has not occurred.

Discounts

- Cisco may provide the Cisco authorised Channel Partner with special pricing under individual or under special promotions and programs offered from Cisco for the resale of Cisco products and integration services.
- Such special pricing is limited to a resale made in accordance with the terms of special pricing.

Cisco equipment sourced outside of official Cisco Channels

- Third-party sourced products, which are not purchased from an Approved Source, are not covered by Cisco support or warranty and may be in conflict with Cisco's licensing policy.



Resale of Cisco products

Obligation to make Resale with Value-Add:

By the terms of the agreement with Cisco, systems integrators and resellers are obliged to operate a value add business model.

- **Value-add** is the non-Cisco component of your solution provided to the end user. It includes pre and post sales support, network design, configuration, trouble shooting and the sale of complementary products and services. The value-add component must form a significant portion of the total solution for the end user.
- **Cisco rewards value-add with additional discounts for systems integrators** and may make the provision of value-add a condition of special or promotional pricing for resellers.
- **Cisco will withdraw such discounts or special pricing** where it determines that value-add has not occurred. For further details, you should refer to the terms of your agreement or special or promotional pricing.

Discount Abuse:

Cisco may provide the Cisco authorised Channel Partner with special pricing under individual agreements (e.g. price support granted through DART and Deal Desk) or under special promotions and programs offered by Cisco for the resale of Cisco products and integration services (Network Academy, Deal Maker, etc).

Such special pricing is limited to a resale made in accordance with the terms of special pricing, which may include the verification of the end user who will be named in connection with the deal and which is reported back to Cisco as the end user by the Cisco authorised Channel Partner.

If Cisco determines that the Partner and/or Distributor has resold products and/or services with special pricing to any person or entity other than the reported and named end user where that is a condition of the special or promotional pricing, Cisco may:

- invoice the Cisco authorised Channel Partner for the difference between such additional discount and the Cisco authorised Channel Partner's standard purchasing conditions with Cisco; and/or
- suspend Cisco authorised Channel Partner's access to price deviations and other Cisco sales and marketing programs; and/or
- suspend shipments to Cisco authorised Channel Partner; and/or
- terminate the agreement.

Cisco reserves its rights and will regularly audit individual transactions in accordance with the provisions of the then-current agreement executed between Cisco and Cisco authorised Channel Partner. In case of discount abuse we will escalate the matter to Cisco's legal department and take the appropriate actions if required.

Export Compliance:

Cisco products and technology are subject to export controls under the laws and regulations of the United States (U.S.) and any other exporting countries. Customers shall comply with such laws and regulations governing use, export, re-export and transfer of Cisco Products and Technology and shall obtain all required U.S. and local authorisations, permits, or licenses. Each party shall comply fully with such export controls, import controls and customs requirements.

Information regarding compliance with U.S. use, export, re-export and transfer laws may be located at the following URL: http://www.cisco.com/wwl/export/compliance_provision.html

PARTNER RESOURCES

Indirect Channel Partner Agreement (ICPA):
www.cisco.com/go/icpa

Brand protection
www.cisco.com/go/brandprotection
 Email: brandprotection-apac@cisco.com

Cisco equipment sourced from outside of the Cisco Channel

Third-party sourced products, which are not purchased from an Approved Source, are not covered by Cisco support or warranty and may be in conflict with Cisco's licensing policy. Further, if such a product is found to infringe Cisco's trademarks or other intellectual property rights, Cisco reserves its right to take action against the Cisco authorised Channel Partner as well as their suppliers in respect of the products in question (please refer to the terms applicable to trademarks in your agreement).

As you know, Cisco's products are technically complex and Cisco's reputation depends upon distribution and resale by suitably qualified Distributors and Partner companies to guarantee the highest standards of quality to our final end customers.



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Cisco has more than 200 offices worldwide. Addresses, phone numbers, and fax numbers are listed on the Cisco Website at www.cisco.com/go/offices.

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