



Latin America Program Rules

Cisco Value Incentive Program – Advanced Technologies: Period 7

Revised: March 30, 2006

The Cisco® Value Incentive Program is a comprehensive rebate program designed to increase margins for Cisco channel partners who resell Cisco IP Communications, VPN, and Security solutions and services. The Cisco Value Incentive Program provides a rebate to qualifying partners—partners who achieve program objectives during a six-month program period. The Cisco Value Incentive Program rewards Cisco channel partners for their investment in emerging technologies, service practices, and customer satisfaction.

Program Benefits

The Cisco Value Incentive Program is another element of the Cisco's pay-for-performance approach that Cisco Systems® uses to support its channel partners in increasing their profitability. The Cisco Value Incentive Program:

- Substantially improves the profitability of Cisco solutions for qualifying partners who participate in this program
- Rewards partners who focus on emerging technologies as a practice and drive customer technology migration, regardless of company size
- Develops eligibility criteria based on partner quality and focus, not company size
- Rewards partners who deliver customer service that results in high customer satisfaction ratings

Outlined below are the program rules for Advanced Technologies.

Participation Criteria

The Cisco Value Incentive Program for Advanced Technologies has four separate technology tracks: Wireless LAN, IP Communications, IP Communications Express and Security. Program criteria and rebate qualifications for each of the VIP Advanced Technology tracks differ. Please review these rules carefully. Partners may apply simultaneously to participate in multiple programs unless otherwise stated; however rebates must be earned independently for each technology track.

The Cisco Value Incentive Program has two separate categories under which a partner can qualify, depending on the company's area of focus. The program criteria vary for each technology specialization. Partners can apply to participate in both programs simultaneously.

1. IP Communications

- You must be a current Cisco IP Communications Specialized Partner or IP Communications Express Specialized Partner at the time of enrollment in the Cisco Value Incentive Program. You must maintain your specialization for the duration of the program.



- You must register for each country that your specialization covers. (Note for CANSAC & SAS region – you must submit an application for each country however, your bookings will be grouped as one booking number as per the grouped specialization rules).
- You must have access to the Partner Access onLine (PAL) tool for the purpose of sending customer satisfaction surveys to your customers. If you do not have access, please work with your Cisco channel account manager (CAM) to gain access to the PAL tool.

2. VPN/Security

- You must be a current Cisco VPN/Security Specialized or VPN/Security Services Specialized Partner at the time of enrollment in the Cisco Value Incentive Program. You must maintain your specialization for the duration of the program.
- You must register for each country that your specialization covers. (Note for CANSAC & SAS region – you must submit an application for each country however, your bookings will be grouped as one booking number as per the grouped specialization rules).
- You must have access to the Partner Access onLine (PAL) tool for the purpose of sending customer satisfaction surveys to your customers. If you do not have access, please work with your Cisco CAM to gain access to the PAL tool.

Application Process

If you meet the program criteria, please visit the VIP Tool at: <http://www.cisco.com/go/viptool>. Then click “Apply Online” and complete and submit the Cisco Value Incentive Program application form. Once the form is completed, please follow the instructions to provide verification required for acceptance to the program.

Enrollment Timeframes

Applications for this program will be accepted during the timeframes indicated in Table 1 below. Participants who enroll and are accepted into the program during Q3 FY2006 will be eligible for the full six-month rebate period. Participants who enroll and are accepted into the program during Q4 FY2006 will be eligible for a three-month rebate period.

All VIP partners that participated in the previous period MUST re-enroll for each respective technology for Value Incentive Program Period 7: Partners should go to the VIP Tool at <http://www.cisco.com/go/viptool> and select their partner profile that shows “Pending Re-enrollment” status. Partners will be prompted with the following message: “Do you want to re-enroll in VIP this program period?” Click “Yes” and follow the steps to accept the program terms and conditions and submit your updated application.

Cisco Value Incentive Program Enrollment Timeframes

Table 1 VIP 7 Enrollment

Program Periods	Enrollment Opens	Enrollment Closes	Months in Pay Period	Approximate Date to Receive Rebate Check for Orders Booked Before 7/28/2006 and Shipped Before 8/21/2006	Approximate Date to Receive Rebate Check for Orders Booked Before 7/28/2006, but Shipped Between 8/21/2006 and 10/30/2006
Q3: 1/30/2006 to 7/30/2006	2/09/2006	2/24/2006	6	10/27/2006	12/29/2006



Q4: 05/01/2006 to 7/30/2006	04/17/2006	05/12/2006	3	10/27/2006	12/29/2006
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Acceptance into the Program

Once you have completed and submitted the Cisco Value Incentive Program application form, the program administrator will notify you and your Cisco CAM via e-mail of your program status.

Payout Criteria

1. IP Communications

You must meet the following criteria for either IP Communications or IP Communications Express in full to qualify for any payout for the Cisco Value Incentive Program (see Tables 2 and 3).

In addition:

- a. Partners may only enroll in either IP Communications or IP Communications Express; partners may not enroll in both simultaneously within the VIP program period.
- b. Partners that sign up for IP Communications and do not meet the minimum sales volume (see Table 2) may not switch to IP Communications Express anytime within the VIP 7 program period.
- c. Partners that sign up for IP Communications Express and meet the IP Communications bookings target may not switch to IP Communications anytime within the VIP 7 program period, even if they achieve the IP Communications Specialization.
- d. Partners cannot change between IP Communications and IP Communications Express at anytime during the program period. However, partners may change during enrollment for a future program period.

Table 2 IP Communications Payout Criteria (for IP Communications Specialized partners)

Criteria	If Enrolled During Q3	If Enrolled During Q4
1) Specialization	Must maintain valid IP Telephony Services (IPT-S) Specialization, or IP Communications Specialization for entire program (enrollment date through 7/28/06)	Must maintain valid IP Telephony Services (IPT-S) Specialization, or IP Communications Specialization for entire program (enrollment date through 7/28/06)
2) Sales volume *	Minimum bookings for IPT-R, IPT-S or IP Communications Specialization partners: <i>Mexico</i> \$150,000 <i>Brazil</i> \$100,000 SAS (*) & CANSAC (**) \$100,000 (*) SAS = Argentina, Bolivia, Chile, Paraguay, Peru & Uruguay (**) CANSAC = Venezuela, Colombia, Ecuador, Central America & Caribbean. net bookings in qualifying IP Communications SKUs from 1/30/06 through 7/28/06	Minimum bookings for IPT-S, or IP Communications Specialization partners: <i>Mexico</i> \$75,000 <i>Brazil</i> \$50,000 SAS (*) & CANSAC (**) \$50,000 (*) SAS = Argentina, Bolivia, Chile, Paraguay, Peru & Uruguay (**) CANSAC = Venezuela, Colombia, Ecuador, Central America & Caribbean. net bookings in qualifying IP Communications SKUs from 5/1/2006 thru 7/28/06



<p>3) Customer satisfaction</p>	<p>Average customer satisfaction score: 4.20 or higher on all surveys received from 1/14/06 to 7/14/06</p> <p>Minimum number of valid responses for or IP Communications Specialization partners**: Your survey target will be determined by applying the following formula to your IP Communications bookings during VIP period 6:</p> <p><i>Mexico</i> = 6 (up to \$150,000 bookings) + 1 additional response for each \$100,000 in bookings above \$150,000. <i>Brazil</i> = 4 (up to \$100,000 bookings) + 1 additional response for each \$75,000 in bookings above \$100,000. SAS & CANSAC = 3 (up to \$75,000 bookings) + 1 additional response for each \$50,000 in bookings above \$75,000.</p> <p>Maximum of 20 valid responses required.</p>	<p>Average customer satisfaction Score: 4.20 or higher on all surveys received from 5/1/06 to 7/14/06</p> <p>Minimum number of valid responses for IPT-R or IP Communications Specialization partners**: Your survey target will be determined by applying the following formula to your IP Communications Express bookings during VIP period 6:</p> <p><i>Mexico</i> = 3 (up to \$75,000 bookings) + 1 additional response for each \$100,000 in bookings above \$75,000. <i>Brazil</i> = 2 (up to \$50,000 bookings) + 1 additional response for each \$75,000 in bookings above \$50,000. SAS & CANSAC = 2 (up to \$37,500 bookings) + 1 additional response for each \$50,000 in bookings above \$37,500.</p> <p>Maximum of 20 valid responses required.</p>
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Table 3 IP Communications Express Payout Criteria (for IP Communications Express Specialized partners only)

Criteria	If enrolled during Q3	If enrolled during Q4
1) Specialization	Must maintain IP Communications Express Specialization for entire program (enrollment date through 7/28/06).	Must maintain valid IP Communications Express Specialization for entire program (enrollment date through 7/28/06).
2) Sales volume*	<p>Minimum Bookings for IP Communications Express Specialization partners: <i>Mexico and Brazil</i> \$50,000 SAS (*) & CANSAC (**) \$50,000</p> <p>(*) SAS = Argentina, Bolivia, Chile, Paraguay, Peru & Uruguay (**) CANSAC = Venezuela, Colombia, Ecuador, Central America & Caribbean.</p> <p>net bookings in qualifying IP Communications Express SKUs from 3/30/06 through 7/28/06.</p>	<p>Minimum Bookings for IP Communications Express Specialization partners: <i>Mexico and Brazil</i> \$25,000 SAS (*) & CANSAC (**) \$25,500</p> <p>(*) SAS = Argentina, Bolivia, Chile, Paraguay, Peru & Uruguay (**) CANSAC = Venezuela, Colombia, Ecuador, Central America & Caribbean.</p> <p>net bookings in qualifying IP Communications Express SKUs from 5/1/2005 through 7/28/06.</p>
3) Customer satisfaction	<p>Average customer satisfaction score: 4.20 or higher on all surveys received from 1/14/06 to 7/14/06</p> <p>Minimum number of valid responses for IPC Express Specialization partners**: Your survey target will be determined by applying the following formula to your IP Communications Express bookings during VIP period 6:</p> <p>= 2 (up to \$50,000 bookings) + 1 additional response for each \$50,000 in bookings above \$50,000.</p> <p>Maximum of 10 valid responses required.</p>	<p>Average customer satisfaction score: 4.20 or higher on all surveys received from 5/1/06 to 7/14/06</p> <p>Minimum number of valid responses for IPC Express Specialization partners**: Your survey target will be determined by applying the following formula to your IP Communications Express bookings during VIP period 6:</p> <p>= 2 (up to \$50,000 bookings) + 1 additional response for each \$50,000 in bookings above \$50,000.</p> <p>Maximum of 10 valid responses required.</p>



* Net bookings = VIP period bookings less VIP period de-bookings. Bookings are recognized when order is placed with Cisco. Cisco does not recognize distributor point-of-sale (POS) until product ships and invoices, regardless of when product is booked with an Authorized distributor.

** A valid response is a returned survey where the end customer:

- Agrees to evaluate the partner that sent the survey invitation
- Marks the relevant technology when asked, "What services did this partner deliver to you? (Check all that apply)" for IP Communications and VPN/Security.
- Rates the partner on overall customer pre- and/or post-sales satisfaction

If the customer does not provide all of the required information, then the survey DOES NOT count toward achievement of the VIP customer satisfaction criteria.

2. VPN/Security

You must meet the following criteria in full to qualify for any payout for the Cisco Value Incentive Program (see Table 4):

Table 4 VPN/Security Payout Criteria

Criteria	If Enrolled During Q3	If Enrolled During Q4
1) Specialization	Must maintain valid VPN/Security Specialization or VPN/Security Services Specialization for the entire program (enrollment date through 7/28/06)	Must maintain valid VPN/Security Specialization or VPN/Security Services Specialization for the entire program (enrollment date through 7/28/06)
2) Sales volume*	<p>Minimum bookings for VPN/Security or VPN/Security Services Specialized partners:</p> <p><i>Mexico</i> \$75,000 <i>Brazil</i> \$50,000 CANSAC (**) & SAS \$60,000 (*) SAS = Argentina, Bolivia, Chile, Paraguay, Peru & Uruguay (**) CANSAC = Venezuela, Colombia, Ecuador, Central America & Caribbean. net bookings in qualifying VPN/Security SKUs from 1/30/06 through 7/28/06</p>	<p>Minimum bookings for VPN/Security or VPN/Security Services Specialized partners:</p> <p><i>Mexico</i> \$37,500 <i>Brazil</i> \$25,000 CANSAC & SAS (**) \$30,000 (*) SAS = Argentina, Bolivia, Chile, Paraguay, Peru & Uruguay (**) CANSAC = Venezuela, Colombia, Ecuador, Central America & Caribbean. net bookings in qualifying VPN/Security SKUs from 5/1/06 through 7/28/06</p>
3) Customer satisfaction	<p>Average customer satisfaction score: 4.20 or higher on all surveys received from 1/30/06 to 7/14/06</p> <p>Minimum number of valid responses**: Your survey target will be determined by applying the following formula to your security bookings from VIP period 6: <i>Mexico</i> = 6 (up to \$75,000 bookings) + 1 additional response for each \$100,000 in bookings above \$100,000. <i>Brazil</i> = 4 (up to \$50,000 bookings) + 1 additional response for each \$75,000 in bookings above \$50,000. CANSAC & SAS = 3 (up to \$60,000 bookings) + 1 additional response for each \$50,000 in bookings above \$60,000.</p>	<p>Average customer satisfaction score: 4.20 or higher on all surveys received from 5/1/06 to 7/14/06</p> <p>Minimum number of valid responses**: Your survey target will be determined by applying the following formula to your security bookings from VIP period 6: <i>Mexico</i> = 3 (up to \$37,500 bookings) + 1 additional response for each \$100,000 in bookings above \$50,000. <i>Brazil</i> = 2 (up to \$25,000 bookings) + 1 additional response for each \$75,000 in bookings above \$25,000. CANSAC & SAS = 2 (up to \$30,000 bookings) + 1 additional response for each \$20,000 in bookings above \$30,000.</p>



	Maximum of 25 valid responses required.	Maximum of 25 valid responses required.
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* Net bookings = VIP period bookings less VIP period de-bookings. Bookings are recognized when order is placed with Cisco. Cisco does not recognize distributor point-of-sale (POS) until product ships and invoices, regardless of when product is booked with an Authorized distributor.

** A valid response is a returned survey where the end customer:

- Agrees to evaluate the partner that sent the survey invitation
- Marks the relevant technology when asked, “What services did this partner deliver to you? (Check all that apply)” for IP Communications and VPN/Security.
- Rates the partner on overall customer pre- and/or post-sales satisfaction

If the customer does not provide all of the required information, then the survey DOES NOT count toward achievement of the customer satisfaction criteria.

Rebate Summary Tables:

	IP Communications	IP Communications Express	VPN/Security
Base Rebate	16%	10%	14% for Advanced SKUs 7% for Foundation SKUs
Applications Rebate	Up to 6% incremental	None	None
Growth	None	None	None

Rebate Details

NOTE: Rebates cannot be applied for partner internal purchases.

Base Rebate: For partners that meet all payout criteria, Cisco will offer the following base rebates to qualifying partners for each VIP program track based on net shipments on all eligible SKUs for resale during the program period specified in Table 1 (above).

NOTE: IP Communications and IP Communications Express partners have separate SKU lists. For a complete listing of eligible SKUs, visit: <http://www.cisco.com/go/vip>.

- IP Communications: 16 percent rebate for IP Communications partners
- IP Communications Express: 10 percent rebate for IP Communications Express partners
- VPN/Security: 14 percent rebate for Advanced Security products (Category B) and 7 percent for Foundation Security products (Category A) for VPN/Security partners. Eligible VPN/Security products are designated as either Foundation or Advanced in the eligible program SKU list. Please see posted program product list for details.



Application rebate for IP Communications: Qualifying partners can earn up to 6 percent additional rebate on total net shipments for achieving specified applications sales targets. Specifically, each eligible IP Communications product SKU is designated as either an application SKU or a non-application SKU. Partners will be measured on the percent dollar sales of total IP Communications SKUs that are applications SKUs. The applications thresholds and payout rates for partners are as follows:

Partner Application Shipment Dollars as a Percent of Their Total IP Communications Shipments	Incremental Rebate on Total IP Communications Eligible Net Shipments
Above 22%	6%
5% to 22%	4%
Below 5%	None

Customer Satisfaction Details

The Cisco Global Customer Satisfaction Survey is one of the strategic components of the Cisco Value Incentive Program (see Table 6 below for details). The Cisco Global Customer Satisfaction Survey examines the partner's success in delivering full services lifecycle support to the customer. The intent is to provide Cisco and Cisco partners with feedback on how to improve partner service practices. We recommend that you issue this survey to your IP Communications and VPN/Security products and services customers during the Cisco Value Incentive Program period.

The Cisco Partner Access onLine tool (PAL) is being used to send surveys for the Cisco Value Incentive Program customer satisfaction requirement. The VIP Tool provides partners real-time, customized access to customer satisfaction results that is collected for the Cisco Value Incentive Program.

For more information about the Cisco Partner Access onLine (PAL) tool, visit: <http://www.cisco.com/go/pal>.

For more information about the VIP tool, visit: <http://www.cisco.com/go/viptool>.

Table 6 Customer Satisfaction

Customer Satisfaction Survey Period	Valid surveys received between the following dates will count towards the partner's Cisco Value Incentive Program customer satisfaction score. <ul style="list-style-type: none"> ▪ Start Date: January 14, 2006 ▪ End Date: July 14, 2006
Customers Who Can Be Surveyed	<ul style="list-style-type: none"> ▪ Partners may only survey one individual end customer per Cisco fiscal year; If that end customer has already received a survey from Cisco or another partner, that end customer is not eligible to be surveyed ▪ Partners may not issue surveys to themselves or any affiliated company (for example, a different business unit within the company or a subsidiary of the parent company) ▪ Partners may survey any customer to whom they sold IP Communications or VPN/Security products or services during the current program period ▪ Partners may survey customers to whom they have sold products and services prior to the VIP period as long as the Partner is providing services related to the prior-period sale during the current VIP program period
Customer Satisfaction Calculation	The customer satisfaction calculation will be based on the weighted average score of the partner pre- and post-sales satisfaction score for the valid survey



Valid Customer Satisfaction Responses	Only surveys that meet the following criteria will count toward achievement of the customer satisfaction criteria : <ol style="list-style-type: none">1. Sent by partner2. End customer validates that they have obtained products or services from a partner3. End customer agrees to evaluate the partner4. End customer validates the respective technology was delivered to the end customer by the partner – partner can pre-populate survey with the technologies they have delivered to the customer; end customer has the option to change if they choose.5. End customer provides an overall pre- and/or post-sales satisfaction rating6. Received by July 14, 2006
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For additional details on the Cisco Global Customer Satisfaction process and tools, visit:
<http://www.cisco.com/go/vip>.

Eligible Products

For a complete list of eligible Cisco IP Communications, IP Communications Express, and VPN or security SKUs for period 7, please visit:

<http://www.cisco.com/go/vip> (Latam)

This list will be updated at the beginning of each program period. Payout will be based on eligible SKUs during each period of the program.

Terms and Conditions

- The current version of this program is valid from January 30, 2006 through July 28, 2006
- No other SKUs or product families are eligible for the rebate other than those SKUs specifically identified for this program
- Product that is procured from a distributor may only be purchased from an authorized Cisco distributor of the particular geography
- Partners are responsible for keeping their own sales information. If partner believes there are any discrepancies between Cisco published bookings and their own records they are responsible for identifying such potential discrepancies to Cisco. Any bookings discrepancies must be reported immediately. Deadline for any bookings discrepancy cases is one month from final bookings date, but no later than September 1, 2006. Partners should refer to the VIP Tool for their official program status. Information obtained from Cisco personnel other than the Cisco VIP Program Team (i.e., CAMs) will not take precedence over the information on the VIP Tool and will not be honored in any disputes. In order to correct any error in the VIP Tool, partners must open a Partner Help Online case <http://www.ciscopartnerhelp.com> with the VIP theater administrator to correct it on the VIP tool.
- Sales that are eligible for the rebate under the Cisco Value Incentive Program are not eligible for any other Cisco rebate program, unless otherwise stated by Cisco
- Cisco reserves the right to modify or cancel the program at its discretion without prior notice to channel partners
- Cisco reserves the right to refuse this offer to deals that do not comply with the intent of this program



- Applications are subject to approval and verification of enrollment criteria
- Rebate is based on meeting full payout criteria
- Net bookings are used to qualify partner for VIP revenue requirement, including Program Objectives. Net bookings are defined as:
 - Direct orders booked with Cisco (including shipped and not shipped) within the eligible VIP 7 time period.
 - Orders placed with an Authorized Distributor that ship and invoice to the partner within the eligible VIP 7 time period (as reported to Cisco by the distributor on the POS report), regardless of when it was booked with the distributor.
- Actual payment is based on specific VIP period bookings that ship in time periods defined in Table 1.
- Rebates will be paid only on the title-transfer of eligible products. Products purchased for a partner's internal use, or the use of an unaffiliated third-party where title is retained by the partner, are not eligible for program rebates.
- If the partner has an accounts receivable statement that is overdue by 15 days or more, the Cisco Value Incentive Program rebate will be withheld until the account is made current
- Cisco reserves the right to add or remove product SKUs from the eligible product list at the beginning and end of each Cisco fiscal quarter
- Cisco reserves the right to audit all customer satisfaction surveys
- In addition to any of its other remedies, Cisco reserves the right to terminate a partner from participation in this program for the following reasons: (a) submission of false, misleading, or incomplete program information, including claims for sales made under the program; (b) other fraud or abuse of this or other Cisco marketing or sales programs; (c) the distribution of products purchased from any source other than Cisco or an authorized Cisco distributor; and, (d) the sale of Cisco products to anyone other than an end user.

Program Contacts

If you have any questions about the Cisco Value Incentive Program, please contact your Cisco CAM, or open a case at Partner Help Online by visiting <http://www.ciscopartnerhelp.com/>. Select "Programs" for Category and "Value Incentive Program (VIP)" for Sub-Category when submitting your case.

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