Latin America Cisco Shared Support
System Integrator External Operating Practices

Co-termination of Contracts

Metrics Phase-in

Multi-year Deals

Out-tasking Support Activities

Sparing and Chassis Adds

Take Over/Credits

Operating Practice - Co-Termination of Contracts

Purpose

When a partner purchases equipment on different dates for the same end user, this equipment is added as separate line items into the Cisco contracts related to that end user. These line items will have different start and end dates depending on when the equipment was shipped.

The purpose of this operating practice is to define how partners may co-terminate these contracts in order to synchronize their expiration date beyond the initial year of the product purchase.

Scope

This operating practice covers contracts under Cisco Shared Support and Cisco Brand Resale for Technical Support Services (TSS)

Geographic Coverage

- **EMEA countries –** Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, South Africa, Sweden, Switzerland, and United Kingdom
- **Australia**
- **New Zealand**
- **Latin America -**Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Puerto Rico & Caribbean, Uruguay, Venezuela.

Definition of Terms

Service Contract Center (SCC): Cisco online contract management tool.

Co-termination: The practice of consolidating multiple contracts into a common end date to align the renewal of contracts for the same service levels to a common date..

Grace Period: 30 day period following product shipment.

Operating Practice Statement

Including the grace period of 30 days, the first year of contract duration (see First Year Contract duration in this document) at point of product shipment may be a minimum of 13 months. Coverage may be for greater than 13 months if the partner selects multi-year contracts at point of product purchase on a pre-paid basis.

When a partner makes multiple purchases for the same end user, each purchase will be added as separate line items in the partner's contract with Cisco for that end user. These line items will have different end dates (the date when service will expire) depending upon when the equipment is shipped from Cisco to the partner.

Cisco recognizes the importance of providing partners with the capability of aligning the end dates in order to facilitate the renewal of contracts with their end users and has made this possible as follows:

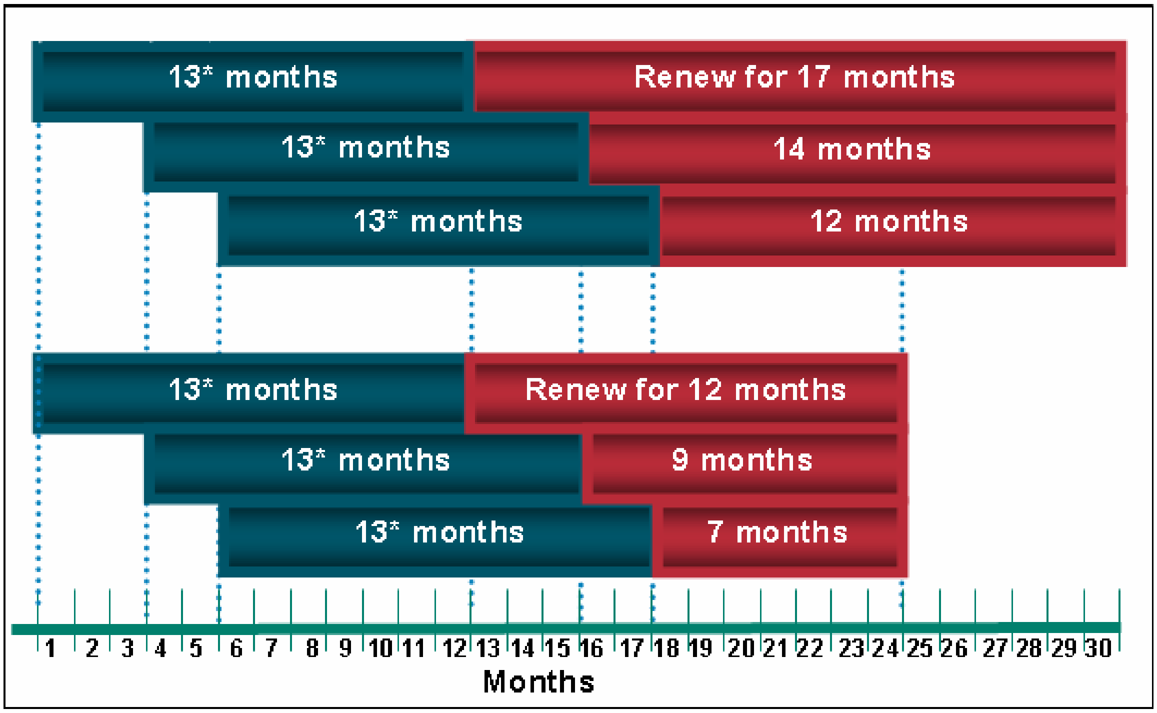
- Contract line items may be contracted for any duration (minimum one month). Any renewals of less than one year are subject to an additional fee
- This enables different line items to be co-terminated

How are contracts renewed?

Partners renew contracts on-line using SCC as described in the Cisco Shared Support and Cisco Brand Resale for TSS User Guides.

Practical Example

Here are two examples of how contract line items could be renewed:



Note: These examples use one year contracts for purposes of simplification. Co-termination may only be employed after the last expiration date of the contracts to be terminated.

Operating Practice - Metrics Phase-In for Cisco Shared Support

Purpose

The purpose of this operating practice is to explain how performance-driven discounts are phased-in and applied depending on the date a partner is activated into the Cisco Shared Support program.

Scope

This operating practice applies to:

- Integrators who have signed their Cisco Shared Support exhibit

Geographic Coverage

This policy applies to:

- **LATAM countries –**Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Puerto Rico & Caribbean, Uruguay, Venezuela)

Definition of Terms

Activation: The date from which a partner has the ability to order under the Cisco Shared Support program.

Operating Practice Statement

This operating practice has the following objectives:

- Ensure that metrics are measured for a period of at least six months before they are used to drive discount adjustments
- Align the discount adjustment schedules of all partners at the earliest date possible

There are multiple schedules of metrics phase-in depending upon when the partner activates onto the Cisco Shared Support program:

- **Schedule 1** applies to partners in Growth Markets countries who activate on or before February 1, 2006
- **Schedule 2** applies to partners in Growth Markets countries who activate after February 1, 2006, but before March 31, 2006

Schedule 1

Schedule 1 applies to partners in Latin America and Caribbean who activate on or before February 1, 2006.

Partner Activated		Metrics Measured	Discount Adjusted	Metrics Measured	Discount Adjusted	Metrics Measured	Discount Adjusted
After	On or Before	Until		Until		Until	
August 1, 2005	March 31, 2006	July 31, 2006	October 1, 2006	July 31, 2007	October 1, 2007	July 31, 2008	October 1, 2008
Metrics Concerned							
Post-sales Support Customer Satisfaction		Yes	Yes	Yes	Yes	Yes	Yes
Service Request Volume		Yes	Yes	Yes	Yes	Yes	Yes
RMA Volume		Yes	Yes	Yes	Yes	Yes	Yes
Conversion Rate		NA*	No	Yes	Yes	Yes	Yes
Renewal Rate		NA*	No	NA*	No	Yes	Yes

***NA = Not Available**

Schedule 2

Schedule 2 applies to partners in Latin America and Caribbean who activate after February 1, 2006 but on or before March 31, 2006.

Partner Activated		Metrics Measured	Discount Adjusted	Metrics Measured	Discount Adjusted	Metrics Measured	Discount Adjusted
After	On or Before	Until		Until		Until	
Feb 1, 2006	March 31, 2006	August 1, 2006 - July 31, 2007	October 1, 2007	July 31, 2008	October 1, 2008	July 31, 2009	October 1, 2009
Metrics Concerned							
Post-sales Support Customer Satisfaction		Yes	Yes	Yes	Yes	Yes	Yes
Service Request Volume		Yes	Yes	Yes	Yes	Yes	Yes
RMA Volume		Yes	Yes	Yes	Yes	Yes	Yes
Conversion Rate		NA*	No	Yes	Yes	Yes	Yes
Renewal Rate		NA*	No	NA*	No	Yes	Yes

***NA = Not Available**

Operating Practice – Multi-year Deals

Purpose

The purpose of this operating practice is to provide guidance on how multi-year discounts are applied for Cisco Shared Support and Cisco Brand Resale partners.

Scope

This operating practice applies to:

- Cisco Shared Support and Cisco Brand Resale for Technical Support Services (TSS) when partners purchase multi-year contracts and pay the total fee up front to Cisco

This operating practice does not apply to:

- Multi-year deals that Cisco Shared Support or Cisco Brand Resale for TSS partners do not pay for up front to Cisco

Geographic Coverage

This operating practice applies to:

- **LATAM countries** –Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, México, Nicaragua, Panamá, Paraguay, Perú, Puerto Rico & Caribbean, Uruguay, Venezuela

Operating Practice Statement

Additional discounts are available if a multi-year (2 or 3 year) deal is prepaid and Cisco has been engaged by the partner on that deal.

For pre-paid multi-year services:

- The partner provides a list of equipment to which discount applies
- The online ordering tools, IPC and SCC, automatically apply the additional discounts when contracts for 2 or 3 years are ordered
- The current Net Present Value Discount is 4% for 2 year deals (off total net price)
- The current Net Present Value Discount is 7% for 3 year deals (off total net price)

Practical Example

For example, if a partner, whose Cisco Shared Support discount is 70% signs a 3 year deal with an end user and prepays the Cisco Shared Support fee to Cisco and the Cisco Customer Advocacy Finance policy at the time of ordering indicates that an additional 7% discount is applicable, they will benefit from an additional 7% discount on top of the existing Cisco Shared Support discount for that particular deal.

List price of service being ordered:	$100.00 per year
Cisco Shared Support discount at time of placing order:	75%
Partner's net price:	$25.00 per year
Additional discount for 3 year pre-paid deal:	7%
Net value of additional discount:	$1.75 (7% of $25)
Partner's net price with additional discount:	$25.00 – $1.75 = $23.25 per year
Total net price to partner for the pre-paid 3 year deal:	3 x $23.25 = $69.75

Operating Practice - Shared Support Integrators Out-Tasking Support Activities

Purpose:
An integrator must meet defined eligibility criteria in order to enter and remain in the Cisco Shared Support program. Some of the criteria relate to the integrator's service infrastructure and capability.

Cisco will accept that an integrator may out-source certain support tasks provided that the integrator meets the overall eligibility criteria at all times. It is the responsibility of the Integrator to monitor the quality of service provided by any "out-tasker" on their behalf.
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Scope:
Applies to integrators Out-Tasking their support activities

Geographic Coverage:
This operating practice applies to the LATAM theatre:

Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Puerto Rico & Caribbean, Uruguay, Venezuela.

Systems Access

The Cisco Shared Support program requires that contracts be managed on a per end user basis for each integrator. This "Service Agreement Framework" is described in detail in the Cisco Shared Support User Guide.

To adhere to the Service Agreement Framework, partners who want to involve out-taskers should be aware that in order for the out-taskers to request service and manage contracts (on behalf of the integrator) it will be necessary for:

- Integrators to request Cisco access for out-taskers
- Out-taskers will have visibility and access to ALL integrator contracts – it will not be possible to provide selective access to out-taskers which also applies to use of the SVO Submit Tool and Service Contract Center (SCC)

The integrator must identify an administrator who will be the SOLE person from whom Cisco will accept requests to provide access to out-taskers in addition to changes to the identity of any out-taskers. These requests must be made using the template below.

Metrics

Integrators who choose to work with out-taskers must accept the following in relation to their Cisco Shared Support performance metrics:

- Out-taskers must open TAC or RMA requests on the appropriate integrator's contracts
- All cases opened by out-taskers will be counted in the metrics measurements (in addition to requests opened directly by the integrator)
- The out-taskers activity on the integrator's contracts will directly impact the integrator's Cisco Shared Support discount
- Customer satisfaction will be measured on the integrator's end users only

Cisco will require that the integrator's contract include a clause whereby the integrator accepts that requests opened by out-taskers will be included in the metrics measurements that drive the integrator's discounts.

Serial Number Management

Under the Service Agreement Framework, it is required that when Moves, Adds or Changes are made, the related serial numbers are updated by the integrator in Service Contract Center to ensure data accuracy at all times.

It will be required that out-taskers who manage inventory or handle spares replacement activities for integrators must ensure that contract data is accurate at all times. This will require identification of spare parts separately for each integrator they work with.

Template to be sent by the integrator's administrator requesting access to be given to an out-tasker.

The following text must be used by the nominated administrator when an integrator is requesting that Cisco provide access to the out-tasker (Service Only Partner) to whom they have decided to out-task components of their service delivery.

I (name) an officer or official of (Integrator) with authority to bind (Integrator) in all respects, request Cisco Systems, Inc. and/or its subsidiaries to provide access to the service contracts of (Integrator) in the Cisco systems (SCC, SVO submit, COT) for the following individual(s) who are employed by (Sub-contractor) to whom we are out-tasking:

First name	**Last name**	**Email Address**	**Company**

I am fully aware that, as a consequence of this request:

- These individuals will have access to ALL details of ALL the support contracts Integrator has with Cisco and that Cisco has no control over the way in which such individuals may use or further disclose such details nor shall Cisco be liable for any losses, damages or claims made as a result of such individuals access to and/or disclosure of such details.
- The TAC and RMA cases opened by these individuals on the Integrator's contracts will be included in the metrics calculation that will drive Integrator's discount

Signed:

For and on behalf of (Integrator)

Operating Practice - Sparing and Chassis adds

Purpose:
The purpose of this operating practice is to outline the sparing process for partner installed base as well as competitor installed base.

Scope:
This practice applies to:

- CSSP spares not installed in a SIS98 chassis
- CSSP spares installed in a SIS98 chassis
- CSSP contract spares and CSSP chassis adds
- Smartnet contract spares and chassis adds
- Sparing activity regarding partner installed base and competitor installed base.

Geographic Coverage:
This operating practice applies to the LATAM theatre: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Puerto Rico & Caribbean, Uruguay, Venezuela.

Definition of terms:

NBD:	Next Business Day
SDS:	Same Day Ship
Spare:	Any module purchased separately from the original contract may be inserted into a chassis or remain uninstalled to be installed later.
SSC:	Service Support Centre
SCC:	Service Contract Center (Cisco on-line contract management tool)
SMARTnet:	The brand name of a Cisco technical support services direct offering

Operating Practice Statement

Following are the steps involved in Sparing for various service types:

CSSP Spares not installed into a SIS98 chassis

1. Partner IB and Chargeable Service
    A. Order Product spares on Ordering Tool
    B. Add the appropriate CSSPD part
    C. Indicate the End User contract number
    D. Only SDS/NBD allowed.
2. Partner IB and 0$ Service
    A. Order Product spares on Ordering Tool
    B. Contact your SSR with order information
    C. Include End User Contract number
    D. Only SDS/NBD allowed.
3. Competitor IB and Chargeable Service
    A. Order Product Spares on Ordering Tool
    B. Contact your SSR with order information
    C. Include End User contract number.
    D. Only SDS/NBD allowed.
4. Competitor IB and 0$ Service
    A. Order Product Spares on Ordering Tool
    B. Contact your SSR with order information
    C. Include End User contract number.
    D. Only SDS/NBD allowed.

CSSP Spares installed in a SIS98 chassis

1. Partner IB and Chargeable Service and for 0$ Service
    A. Order Product Spares on Ordering Tool with NO service line.
    B. Contact your SSR with Order Information
    C. Include SIS Chassis serial number and SIS98 service contract number.
    D. CSSPD is the only service level allowed – SDS/NBD
2. Competitor IB: Adds to chassis are PROHIBITED unless the entire chassis and all associated cards are acquired from incumbent partner. Manual process if acquired.

CSSP Contract Spares and CSSP Chassis Adds

1. Partner IB and Chargeable Service

    A. Order Product spares on Ordering Tool
    B. Add the appropriate CSSP part
    C. Indicate the End User contract number.

2 . Partner IB and 0$ Service

    A. Order Product spares on Ordering Tool.
    B. Use SCC to add the product spare to the appropriate End User include the contract number.

3. Competitor IB: Sparing is NOT recommended and adds to chassis are PROHIBITED unless the entire chassis and all associated cards are acquired from incumbent partner.

SNT Contract Spares and Chassis Adds

1. Partner IB and Chargeable Service

    A. Order Product spares on Ordering Tool and add the appropriate CSSP part.
    B. Indicate the End User contract number.

2. Partner IB and 0$ Service

    A. Order Product spares on Ordering Tool.
    B. Use SCC to add the product spare to the appropriate End User contract number.

3. Competitor IB: Sparing is NOT recommended and adds to chassis are PROHIBITED unless the entire chassis and all associated cards are acquired from incumbent partner.

Operating Practice – Take-over / Credit

Purpose:
The purpose of this operating practice is to define the rules surrounding take-overs and refunds.

Take-overs occur when end users make a value-based choice by purchasing service either directly from Cisco (SMARTnet) or from an authorized Cisco partner who did not supply the product. Cisco is implementing this operating practice to ensure that take-overs are handled consistently and efficiently.

Scope:

What the operating practice covers:

Take-overs that occur:
- Under Cisco Shared Support
- Under Cisco Brand Resale for Technical Support Services (TSS)

What the operating practice does not cover:

This practice does not apply to:
- Any take-overs that happen prior to partners migrating to Cisco Shared Support or Cisco Brand Resale for TSS
- Credits for take-overs of SIS98 installed base (even after migration of partner to Cisco Shared Support) as they follow the existing standard policy:
    - 100% credit in 1^{st} year, 60% credit in 2^{nd} year, no credit in 3^{rd} year and for Category A

Geographic Coverage:

This operating practice applies to the LATAM theatre: (Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Puerto Rico & Caribbean, Uruguay, Venezuela).

Definition of terms:

Grace Period: 30 day period following product shipment
Credit: Issuance of a credit for service fees paid under appropriate program
Established Arrangements: This occurs when the customer has clearly stated in advance of product purchase that support will be supplied directly by Cisco (procured as SMARTnet or Cisco Brand Resale for TSS).
New partner: Partner who acquires the responsibility to support the equipment not originally sold to the end user and pays the applicable support fees
Original partner: Partner who originally sold the equipment to end user and/or previously owned the responsibility to support the equipment and has paid the applicable support fees to Cisco
SCC: Service Contract Center (Cisco on-line contract management tool)
SMARTnet: The brand name of a Cisco technical support services direct offering
Take-over: When responsibility for support is transferred from one partner to another (under Cisco Shared Support or Cisco Brand Resale) or to Cisco

Take-overs Operating Practice Statement

Following are the steps that occur in a take-over:

1. End user indicates that the products purchased will be supported by a new partner (or Cisco) in place of the original partner. It is the responsibility of the new partner to ensure that Cisco receives this notification from the end-user. However, either the new partner or the original partner can provide this notification – as long as Cisco is notified.
2. Within 90 days of the end user advising Cisco of their decision, the original partner declares to Cisco the installed base devices they will no longer be supporting and requests the applicable credit.
3. Cisco provides a quote to the new partner for support of these items. If no installed base has been declared within 90 days then Cisco will identify the relevant installed base and use this for the purposes of developing the quote.
4. New partner places purchase order for applicable service fees against the quote provided by Cisco.
5. Cisco refunds the original partner the applicable credit.

   Or

   If end user elects to be supported directly by Cisco: Cisco obtains purchase order from new partner for SMARTnet (for Cisco Brand Resale) to be provided on installed base declared by original partner.
6. Cisco credits original partner as applicable.
7. Cisco cancels contract(s) for this equipment set up for original partner, creates new contracts for new partner and moves the equipment to the new contract.

How original partner declares the installed base they will no longer support:

- Original partner provides Cisco with written proof of the take-over from either the end user or the new partner.
- Original partner provides notification to Cisco including the contract number, Product ID, serial number, date of takeover, the name of the partner who is taking over the contract, and a letter from the End-user stating that they are requesting the contract to be taken over by a new partner.

How new partner activates service on the installed base they are taking over:

- New partner provides Cisco with the list of devices and site IDs of the equipment to be supported and indicates the service level(s), contract duration required, and end-user information.
- The contract duration cannot be for less than 12 months
- Cisco creates a quote in SCC based on the information supplied by new partner
- New partner places purchase order in SCC
- Cisco sets up new contracts and activates service

Note: In accordance with the Other Products Clause (OPC), the partner taking over the business will be subject to an administration charge up to 10% of the annual support fee for the affected equipment

Credits Issued to Original Partner

Under Cisco Shared Support, credits apply only for the first year following product shipment. No credits will be issued subsequent to this period.

If there is not an Established Arrangement then for take-overs during the grace period or subsequent 90 days partners receive a 100% credit.

Thereafter (i.e. after 90 days have elapsed from the end of the grace period) credits are allocated on a prorated daily basis starting from the end of the grace period and calculated as follows: (original purchase price of service)*(1-(days post grace period – 90) / 275 days))

Practical Example

- Original partner purchases Shared Support contract from Cisco for $100.
- There is a takeover 180 days after the end of the Grace Period.
- Refund due is ($100)*(1-(180-90)/275)) = $67

If there is an Established Arrangement then the fees are cancelled (and no service entitled) until the service purchase order is received by Cisco. However, should the service purchase order not be received within 120 days of product shipment date then the original partner will be invoiced for the outstanding fees.

Take-overs of Cisco Brand Resale Contracts

If an end user decides to renew a Cisco Brand Resale contract with a new partner rather than the original partner the following occurs:

- New partner requests support quote from Cisco while providing the list of equipment, locations and service level(s) required
- Cisco places relevant quote in SCC for partner
- New partner places purchase order in SCC

No credits are applicable.

Impact of take-overs on Cisco Shared Support and Cisco Brand Resale Performance Metrics

The installed base no longer covered by the original partner is transferred to the new partner for purposes of metrics calculations.

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