

## Cisco Customer Loyalty Program Overview

The Cisco Customer Loyalty Program is an exclusive program designed to reward loyal customers for purchasing Cisco products and services. The program provides awards you can use toward valuable training to complement your Cisco products. Our goal is to show appreciation by granting quarterly Cisco Learning Credits (CLCs). As you earn CLCs, you can redeem them to develop and implement a comprehensive learning roadmap, optimizing your training budget.

### How To Become a Cisco Loyalty Customer

Your Account Manager can nominate you as a Loyalty Customer if you meet certain requirements.

#### Nomination Period

If funding allows, the Account Manager can submit customer nominations at any time. We process nominations during the first two months of Q2, Q3, and Q4. If you believe your organization is a viable candidate for the program, please talk with your Account Manager to learn more.

#### Program Requirements:

Loyalty customers are required to actively participate in the program by using the Loyalty CLCs that are granted. It's our way of ensuring you are maximizing the use of your awards. Due to the exclusivity of the program, we must evaluate participation quarterly to ensure customers are fully utilizing their awards. Since these awards are directly deposited into Loyalty customer accounts, we expect them to be redeemed before the one-year expiration. Therefore, we monitor customer participation to ensure the credits are used for Cisco training.

#### Customer Evaluation Criteria:

To ensure all Loyalty customers are extracting value from the program, we perform an evaluation that includes:

- **Annual Bookings:** Reviewed annually. Adjustments to tier levels are based on whether the three fiscal year average bookings have increased or decreased.
- **High Expirations:** Evaluated quarterly to establish whether more than 25% of awarded CLCs have expired over the prior 18 months.
- **Low Digital Learning Usage:** Evaluated quarterly to establish whether more than 50% of awarded CLCs have been allocated toward Cisco U. digital learning over the past 12 months and whether less than 50% of those licenses have been used.
- **New Customer Usage:** Evaluated quarterly based on their first three quarters.

#### Tier Impact of Low Consumption, Low Digital Usage, and High Expirations:

If the evaluation shows that Loyalty customers are not using awarded CLCs or if more than 25% of customers' CLCs have expired, the account may be flagged for a tier reduction or withdrawal from the program.

- Accounts in Tier 1 with low consumption and high expirations or low digital usage will be removed and cannot be re-nominated for four quarters.
- Accounts in Tiers 2, 3, 4, and 5 with low consumption and high expirations or low digital usage will be moved down a tier, where they will remain for one year, after which they will be re-evaluated the following year.

- New customers who joined the program and have not used any of the awarded credits in the first three quarters will have their accounts removed from the program and will not be eligible for re-nomination for one year.