



Cisco Value Incentive Program: Period 15

Asia Pacific rules

The Cisco® Value Incentive Program for Advanced Technologies is a comprehensive back-end payment program designed to increase margins for Cisco channel partners that resell collaboration, virtualization, and borderless network products. The program provides a payment to partners that achieve program objectives during either a 6-month program period or a 3-month program period. The Value Incentive Program rewards Cisco channel partners for their investment in advanced technologies, and for achieving customer satisfaction. **Value Incentive Program Period 15 runs from January 24, 2010 through July 31, 2010.**

Program Benefits

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

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

Participation Prerequisite

Cisco Value Incentive Program Period 15 has 3 separate tracks and 10 subtracks.

Participation prerequisites differ for each track. Please review these rules carefully.

Unless otherwise stated, partners may apply simultaneously to participate in multiple tracks. However, payments must be earned independently for each subtrack.

Table 1 lists the tracks and subtracks for Cisco Value Incentive Program Period 15, with the prerequisite for each.

Table 1 Prerequisites for Cisco Value Incentive Program (VIP) 15 Subtracks		
VIP 15 Track	VIP 15 Subtracks	Specialization/Certification/ATP Requirements at Time of Attainment in the Program
Borderless Networks	Routing	Advanced Routing and Switching Specialization or Premier or above certification
	Security	Advanced Security Specialization
	Core Switching	Advanced Routing and Switching Specialization or Premier or above certification
	WAN Optimization	Advanced Routing and Switching Specialization
	Wireless LAN	Advanced Wireless Specialization
Collaboration	Unified Communications	Advanced Unified Communications Specialization
	TelePresence	TelePresence Authorized Technology Provider (ATP)
Virtualization	Data Center	Advanced Data Center Networking Infrastructure Specialization
	Storage Switching	Advanced Data Center Storage Networking Specialization
	Unified Computing	Unified Computing Authorized Technology Provider (ATP)

- You must hold the required specialization, certification, or ATP designation at the time of attainment (the date the partner achieves their specialization, certification, or ATP designation) in the Cisco Value Incentive Program. Attainment refers to the specific date on which the partner achieves the specific specialization/certification/ATP as referenced in Cisco Partner Data Base.

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.

Enrollment Process

You must meet the participation prerequisite for at least one subtrack to enroll in a track. See Table 1 for details. Once you have successfully enrolled in a track, you may gain entitlement to any additional subtrack of the track you are enrolled in, provided you have successfully met the subtrack requirements.

All partners must enroll in VIP Period 15 to participate, regardless of their previous VIP period enrollment status. If you meet the participation criteria, please visit the Value Incentive Program tool at <http://www.cisco.com/go/viptool>.

For first time enrolled partner,

1. After login, click "Apply Online"
2. Select the country you would like to enroll in for the Value Incentive Program
3. Select the track
4. Review and agree to the program terms and conditions
5. Review the final application

6. Check the box “I have read and understand the VIP Program rules”
7. Submit the application.

For partners who participated in VIP14 and requires re-enrollment for VIP15,

1. After login, click on Company Name
2. Click “Yes” to re-enroll for the specific track
3. Review and agree to the program terms and conditions
4. Review the final application
5. Check the box “I have read and understand the VIP Program rules”
6. Submit the application.

Enrollment Timeframes

Applications for VIP Period 15 will be accepted during the timeframes indicated in Table 2.

Program Period	Program Duration	Enrollment Open Date	Enrollment Close Date	Approximate Date to Receive Payment for Orders Booked by July 31, 2010 and Shipped Before August 14, 2010	Approximate Date to Receive Payment for Orders Booked by July 31, 2010 but Shipped Between August 14, 2010 and October 30, 2010
January 24, 2010 to July 31, 2010	6 months	January 29, 2010	February 19, 2010	October 2010	December 2010
May 2, 2010 to July 31, 2010	3 months	May 3, 2010	May 21, 2010	October 2010	December 2010

Acceptance into the Program

Once you have completed and electronically signed the VIP application form, the program administrator will send email to you and your Cisco CAM notifying you of your program status.

Payout Criteria

Customer Satisfaction Payout Criteria

An average customer satisfaction (CSAT) score and a minimum number of valid responses for all partners are required for all three tracks (Borderless Networks, Collaboration, and Virtualization). If a partner misses either the CSAT score or the number of required survey responses, the partner will not be eligible for payment in any of the subtracks. Table 3 summarizes the customer satisfaction criteria for the 6-month and 3-month periods.

Category	If Enrolled in the 6-Month Period	If Enrolled in the 3- Month Period
Customer satisfaction	Average customer satisfaction score must be 4.40 or higher on all surveys received from July 27, 2009 through July 16, 2010. Minimum of 20 valid responses for all Gold and Silver certified partners. For Premier certified and below partners must have a minimum of 10 valid responses , regardless of the number of tracks the partner is enrolled in.*	Average customer satisfaction score must be 4.40 or higher on all surveys received from July 27, 2009 through July 16, 2010. Minimum of 20 valid responses for all Gold and Silver certified partners. For Premier certified and below partners must have a minimum of 10 valid responses , regardless of the number of tracks the partner is enrolled in.*

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

- Agrees to evaluate the partner that sent the survey invitation

- Rates the partner on **overall customer presales satisfaction and postsales satisfaction**

If the customer does not provide all the required information, the survey does not count toward achievement of the customer satisfaction criterion.

Specialization and Sales Volume Payout Criteria

Borderless Networks Track

Partners may enroll in the Borderless Networks track only if they meet the prerequisite for any of the following subtracks: Routing, Security, Core Switching, WAN Optimization, or Wireless LAN. Partners may qualify for a payout in any of these subtracks simultaneously if they meet the associated requirements.

. Routing Subtrack

You must meet the criteria in Table 4 in full to qualify for any payout in the Routing subtrack.

Table 4 Routing Payout Criteria		
Criteria	If Enrolled in the 6-Month Period	If Enrolled in the 3-Month Period
Specialization/certification	Must maintain a valid Advanced Routing and Switching Specialization from the specialization attainment date through July 31, 2010 or a Premier or above certification from the certification attainment date through July 31, 2010.	Must maintain a valid Advanced Routing and Switching Specialization from the specialization attainment date through July 31, 2010 or a Premier or above certification from the certification attainment date through July 31, 2010.
Sales volume**	There are no minimum bookings for Routing Opportunity Incentive Program/Solution Incentive Program orders.	There are no minimum bookings for Routing Opportunity Incentive Program/Solution Incentive Program orders.

Security Subtrack

You must meet the criteria shown in Table 5 in full to qualify for any payout in the Security subtrack.

Table 5 Security Payout Criteria		
Criteria	If Enrolled in the 6-Month Period	If Enrolled in the 3-Month Period
Specialization	Must maintain a valid Advanced Security Specialization from the specialization attainment date through July 31, 2010.	Must maintain a valid Advanced Security Specialization from the specialization attainment date through July 31, 2010.
Sales volume**	***Must purchase minimum net bookings, US\$40,000 in qualifying Security SKUs. Minimum booking calculation timeframe subject to partner enrollment and specialization attainment status.	***Must purchase minimum net bookings, US\$20,000 in qualifying Security SKUs. Minimum booking calculation timeframe subject to partner enrollment and specialization attainment status.

Core Switching Subtrack

You must meet the criteria shown in Table 6 in full to qualify for any payout in the Core Switching subtrack.

Table 6 Core Switching Payout Criteria		
Criteria	If Enrolled in the 6-Month Period	If Enrolled in the 3-Month Period
Specialization/certification	Must maintain a valid Advanced Routing and Switching Specialization from the specialization attainment date through July 31, 2010 or a Premier or above certification from the certification attainment date through July 31, 2010.	Must maintain a valid Advanced Routing and Switching Specialization from the specialization attainment date through July 31, 2010 or a Premier or above certification from the certification attainment date through July 31, 2010.
Sales volume**	There are no minimum bookings for Core Switching Opportunity Incentive Program/Solution Incentive Program orders.	There are no minimum bookings for Core Switching Opportunity Incentive Programs/Solution Incentive Program orders.

WAN Optimization Subtrack

You must meet the criteria shown in Table 7 in full to qualify for any payout in the WAN Optimization subtrack.

Table 7 WAN Optimization Payout Criteria		
Criteria	If Enrolled in the 6-Month Period	If Enrolled in the 3-Month Period
Specialization	Must maintain a valid Advanced Routing and Switching Specialization from the specialization attainment date through July 31, 2010.	Must maintain a valid Advanced Routing and Switching Specialization from the specialization attainment date through July 31, 2010.
Sales volume**	Must purchase minimum net bookings, US\$80,000 in qualifying WAN Optimization SKUs.*** Minimum booking calculation timeframe subject to partner enrollment and specialization attainment status.	Must purchase minimum net bookings, US\$40,000 in qualifying WAN Optimization SKUs.*** Minimum booking calculation time frame subject to partner enrollment and specialization attainment status.

Wireless LAN Subtrack

You must meet the criteria shown in Table 8 in full to qualify for any payout in the Wireless LAN subtrack.

Table 8 Wireless LAN Payout Criteria		
Criteria	If Enrolled in the 6-Month Period	If Enrolled in the 3-Month Period
Specialization	Must maintain a valid Advanced Wireless LAN Specialization from the specialization attainment date through July 31, 2010.	Must maintain a valid Advanced Wireless LAN Specialization from the specialization attainment date through July 31, 2010.
Sales volume**	Must purchase minimum net bookings, US\$30,000 in qualifying Wireless LAN SKUs.*** Minimum booking calculation timeframe subject to partner enrollment and specialization attainment status.	Must purchase minimum net bookings, US\$15,000 in qualifying Wireless LAN SKUs.*** Minimum booking calculation timeframe subject to partner enrollment and specialization attainment status.

Collaboration Track

Partners may enroll in the Collaboration track only if they meet the prerequisite for any of the following subtracks: Unified Communications and TelePresence. If they meet the associated requirements, partners may qualify for a payout in both the Unified Communications and TelePresence subtracks.

Unified Communications Subtrack

You must meet the criteria shown in Table 9 in full to qualify for any payout in the Unified Communications subtrack.

Table 9 Unified Communications Payout Criteria		
Criteria	If Enrolled in the 6-Month Period	If Enrolled in the 3-Month Period
Specialization	Must maintain a valid Advanced Unified Communications Specialization from the specialization attainment date through July 31, 2010.	Must maintain a valid Advanced Unified Communications Specialization from the specialization attainment date through July 31, 2010.
Sales volume**	Must purchase minimum net bookings, US\$50,000 in qualifying Unified Communications SKUs.***Minimum booking calculation time frame subject to partner enrollment and specialization attainment status.	Must purchase minimum net bookings, US\$25,000 in qualifying Unified Communications SKUs.*** Minimum booking calculation time frame subject to partner enrollment and specialization attainment status.

TelePresence Subtrack

You must meet the criteria shown in Table 10 in full to qualify for any payout in the TelePresence subtrack.

Table 10 TelePresence Payout Criteria		
Criteria	If Enrolled in the 6-Month Period	If Enrolled in the 3-Month Period
ATP	Must maintain a valid TelePresence ATP from the ATP attainment date through July 31, 2010.	Must maintain a valid TelePresence ATP from the ATP attainment date through July 31, 2010.
Sales volume**	Must purchase minimum net bookings, US\$100,000 in qualifying TelePresence SKUs.*** Minimum booking calculation timeframe subject to partner enrollment and ATP attainment status.	Must purchase minimum net bookings, US\$50,000 in qualifying TelePresence SKUs.*** Minimum booking calculation timeframe subject to partner enrollment and ATP attainment status.

Virtualization Track

Partners may enroll in the Virtualization track only if they meet the prerequisite for any of the following subtracks: Data Center, Storage Switching, or Unified Computing. Partners may qualify for a payout in any of these subtracks simultaneously if they meet the associated requirements.

Data Center Subtrack

You must meet the criteria shown in Table 11 in full to qualify for any payout in the Data Center subtrack.

Table 11 Data Center Payout Criteria		
Criteria	If Enrolled in the 6-Month Period	If Enrolled in the 3-Month Period
Specialization	Must maintain a valid Advanced Data Center Networking Infrastructure Specialization from the specialization attainment date through July 31, 2010.	Must maintain a valid Advanced Data Center Networking Infrastructure Specialization from the specialization attainment date through July 31, 2010.
Sales volume**	Must purchase minimum net bookings, US\$200,000 in qualifying Data Center SKUs.*** Minimum booking calculation timeframe subject to partner enrollment and specialization attainment status.	Must purchase minimum net bookings, US\$100,000 in qualifying Data Center SKUs.*** Minimum booking calculation timeframe subject to partner enrollment and specialization attainment status.

Storage Switching Subtrack

You must meet the criteria shown in Table 12 to qualify for any payout in the Storage Switching subtrack.

Table 12 Storage Switching Payout Criteria		
Criteria	If Enrolled in the 6-Month Period	If Enrolled in the 3-Month Period
Specialization	Must maintain a valid Advanced Data Center Storage Networking Specialization from the specialization attainment date through July 31, 2010.	Must maintain a valid Advanced Data Center Storage Networking Specialization from the specialization attainment date through July 31, 2010.
Sales volume**	Must purchase minimum net bookings, US\$15,000 in qualifying Storage Switching SKUs.*** Minimum booking calculation time frame subject to partner enrollment and specialization attainment status.	Must purchase minimum net bookings, US\$7,500 in qualifying Storage Switching SKUs.*** Minimum booking calculation time frame subject to partner enrollment and specialization attainment status.

Unified Computing Subtrack

You must meet the criteria shown in Table 13 in full to qualify for any payout in the Unified Computing subtrack.

Table 13 Unified Computing Payout Criteria		
Criteria	If Enrolled in the 6-Month Period	If Enrolled in the 3-Month Period
ATP	Must maintain a valid Unified Computing ATP from the ATP attainment date through July 31, 2010.	Must maintain a valid Unified Computing ATP from the ATP attainment date through July 31, 2010.
Sales volume**	Must purchase minimum net bookings, US\$50,000 in qualifying Unified Computing SKUs.*** Minimum booking calculation time frame subject to partner enrollment and specialization attainment status.	Must purchase minimum net bookings, US\$25,000 in qualifying Unified Computing SKUs.*** Minimum booking calculation time frame subject to partner enrollment and specialization attainment status.

**Sales volume: Partners who enroll in either the 6-month or 3-month period minimum booking calculation will begin on January 24, 2010 and May 2, 2010, respectively. For partners who gain attainment for a subtrack outside of the 6-month or 3-month enrollment period, the minimum bookings calculation will begin at the specialization attainment date.

*** Minimum net bookings = VIP period bookings less VIP period debookings.

- Partners enrolled in the Value Incentive Program and ordering directly from Cisco: Direct bookings are recognized when the order is "Cisco booked."
- Partners enrolled in the Value Incentive Program and ordering through a Cisco Authorized Distributor: Cisco does not recognize distributor point-of-sale (POS) until the product ships and invoices, regardless of when the product is booked with the distributor. For partners buying through authorized distributors, Cisco will consider the posted date (the date the distributor posted the POS to Cisco) to qualify the booking transaction. The POS transaction must be posted one week prior program end date to be valid for VIP Period 15.

Incentives

Base incentives: Cisco will offer the following base incentives to qualifying partners for each Value Incentive Program subtrack based on net shipments on all eligible SKUs for resale during the program period specified in Table 2. See base incentives in table 14 through 16.

Registered incentives: Cisco will offer the following registered incentives for the Opportunity Incentive Program and Solution Incentive Program related to the Routing and Core Switching subtracks. See registered incentives in table 14.

Incremental incentives:

- **Borderless Networks bonus:** Cisco will offer all qualified partners up to 1 percent of eligible routing and switching bookings. The actual payout percentage will be determined by the following ratio: (2 x security and wireless / 1 x all qualified routing and switching bookings) x 1 percent equals the payout rate. To qualify for the Borderless Networking bonus, the partner must qualify for payment for the Security, Wireless LAN, Routing, and Core Switching subtracks.
- **Gold Certified Partner incentive:** Cisco will offer qualifying Gold Certified Partners an additional 1 percent incentive for the Security, Wireless LAN, WAN Optimization, Data Center, Storage Switching, Unified Computing, TelePresence and Unified Communications subtracks based on net shipments on all eligible SKUs for resale during the program period specified in Table 2.
- **Master Specialized Partner incentive:** Cisco will offer qualifying Master Specialized Partners an additional 3 percent incentive for the Unified Communications, and Security subtracks based on net shipments on all eligible SKUs for resale during the program period specified in Table 2.

Note: Partners must have a Gold Certification or Master Specialization upon enrollment and maintain it for the entire program for any architecture to qualify for the Gold or Master incentive.

Tables 14 through 16 summarize these incentives.

Table 14						
Borderless Network Payout Percentages						
	Payout Category	Security	Wireless	WAN Optimization	Routing**	Core Switching**
Base incentives	A	21%	21%	21%	None	None
	B	15%	15%	15%	None	None
	C	10%	10%	10%	None	None
	D	5%	5%	5%	None	None
Registered incentives	A/B/C/D	None	None	None	21%/15%/10%/5%	21%/15%/10%/5%
Incremental incentives	Borderless Networks bonus*	2%	2%	None	None	None
	Gold incentive	1%	1%	1%	None	None
	Master incentive	3%	None	None	None	None
<p>* The Borderless Networks bonus is for 2 percent of the qualified combined security and wireless net bookings. You must qualify for the Security, Wireless LAN, Routing, and Core Switching subtracks. The bonus will not exceed 1 percent of the qualified routing and core switching net bookings.</p>						
<p>** Under the Routing and Core Switching subtracks: For partners enrolled in the Value Incentive Program who are ordering directly from Cisco, the Opportunity Incentive Program (OIP) /Solution Incentive Program (SIP) kicker of 21%,15%,10%, or 5% will be paid only on eligible OIP/SIP routing and switching orders booked by July 31, 2010 and shipped by October 30, 2010. For partners enrolled in VIP who are ordering through a Cisco Authorized Distributor, the OIP/SIP kicker of 5% and 15% will be paid on OIP/SIP routing and switching transactions posted by the distributor no later than 90 days after July 31, 2010. OIP/SIP valid bookings are not stackable with non-standard (DSA) orders. OIP/SIP valid bookings are stackable with Cisco Technology Migration Program (TMP) orders and other standard promotions.</p>						

Table 15			
Collaboration Payout Percentages			
	Payout Category	TelePresence	Unified Communications
Base incentives	A	21%	21%
	B	15%	15%
	C	10%	10%
	D	5%	5%
Incremental incentives	Gold incentive	1%	1%
	Master incentive	None	3%

Table 16				
Virtualization Payout Percentages				
	Payout Category	Data Center	Storage Switching	Unified Computing
Base incentives	A	21%	21%	21%
	B	15%	15%	15%
	C	10%	10%	10%
	D	5%	5%	5%
Incremental incentives	Gold incentive	1%	1%	1%
	Master incentive	None	None	None

Customer Satisfaction Survey

The Cisco Global Customer Satisfaction Survey is a strategic component of the Cisco Value Incentive Program. The Cisco Global Customer Satisfaction Survey examines the partner's success in delivering support to the customer over the lifecycle of the solution. The survey provides Cisco and Cisco partners with feedback on how to improve partner service practices. Surveys are not technology specific. One survey score will be used for all three tracks (Borderless Network, Collaboration, and Virtualization). If a partner misses either the survey target or the required number of surveys, the partner will not be eligible for payment in any of the subtracks. More information on the survey is provided in Table 17.

For more information about the Cisco PAL tool, visit <http://www.cisco.com/go/pal>. The Cisco PAL tool is used to send surveys for the Cisco Value Incentive Program customer satisfaction requirement.

For more information about the Cisco Partner Program View (PPV) tool, visit <https://apps.cisco.com/mbrre/saw.dll?Dashboard>. PPV provides partners with real-time, customized access to the results of the customer satisfaction surveys.

Table 17 Requirements for the Global Customer Satisfaction Survey

Global Customer Satisfaction Survey period	Valid surveys received between the following dates will count toward the partner's Cisco Value Incentive Program customer satisfaction score. <ul style="list-style-type: none"> Start date: July 27, 2009 End date: July 16, 2010
Customers that can be surveyed	<ul style="list-style-type: none"> Partners may survey individual end customers only once 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 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 period.
Customer satisfaction calculation	The customer satisfaction calculation will be based on the weighted average of the partner presales and postsales satisfaction score for the valid surveys from July 27, 2009 through July 16, 2010.
Valid customer responses	Only surveys that meet the following criteria will count toward achievement of the customer satisfaction criteria: <ol style="list-style-type: none"> Survey is sent by the partner. The end customer validates that they have obtained products or services from a partner. The end customer agrees to evaluate the partner. The end customer provides an overall presales and post-sales satisfaction rating. Cisco must receive the completed survey by 5 p.m. Pacific Time on July 16, 2010.

Eligible Products

For a complete list of eligible SKUs eligible for VIP Period 15, visit <http://www.cisco.com/go/vip>.

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.

VIP Period 15 Terms and Conditions

- The current version of this program is valid from *January 24, 2010* through *July 31, 2010*.
- Partner may receive payment only on the SKUs or product families identified at <http://www.cisco.com/go/skus> as eligible. Cisco reserves the right to modify the list of eligible SKUs throughout the program period identified in paragraph 1 of this section. The SKU list will be available at www.cisco.com/go/skus as of February 1, 2010. Any changes to SKUs or rates will be posted monthly.
- Payments will be made only on the title-transfer resale of eligible products. Products purchased for a partner's internal use, or for the use of an unaffiliated third party where title is retained by the partner, are not eligible for program payments.
- Payments will be payable only if all requisite POS data for the end customer (being the end user who will ultimately take title to the resold eligible products), including, without limitation, the end customer name, address, and contact details, are received by Cisco at the time the partner first places with Cisco the purchase order for the eligible products.
- Products that are procured from distributors may be purchased only from Cisco Authorized Distributors and/or Cisco channel partners within the country in which they are authorized.
- Partners are responsible for keeping their own sales information. Cisco will provide access to partner results through Partner Program View. If a 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. The deadline for any bookings discrepancy cases is one month from the final bookings date, **but no later than August 28, 2010**.
- Payment discrepancies must be reported within three weeks after receipt of the first payment notification of each

payment. Payment discrepancies that may be disputed do not include booking discrepancies. Partners should refer to Partner Program View (<https://apps.cisco.com/mbrre/saw.dll?Dashboard>) for their official bookings status and for their official CSAT results. Information obtained from Cisco personnel other than the Cisco Value Incentive Program team (i.e., CAMs) will not take precedence over the information in Partner Program View and will not be honored in any disputes. To correct an error in the Partner Program View, partners must open a partner help case online (<http://www.ciscopartnerhelp.com>) with the Value Incentive Program theater administrator.

- 8.** Partners purchasing from Cisco Authorized Distributors and/or Cisco channel partners shall ensure that the sales data reported by Cisco Authorized Distributors and/or Cisco Authorized Channels to Cisco is correct. In cases in which sales transactions are ineligible because of incorrect data reported by a Cisco Authorized Distributor and/or Cisco Authorized Channels in the back-end claiming process, Cisco reserves the right not to pay a VIP payout for such transactions (i.e., error in end customer name and/or details reported in the POS claiming report).
- 9.** Sales that are eligible for a payment under the Cisco Value Incentive Program are not eligible for any other Cisco back-end payment programs unless otherwise stated by Cisco.
- 10.** Cisco reserves the right to modify or cancel the program at its discretion without prior notice to channel partners.
- 11.** Applications are subject to approval and verification of enrollment criteria.
- 12.** Payments are based on meeting full payout criteria.
- 13.** Payment is not based on bookings but on shipments. Net bookings are used to qualify the partner for the Value Incentive Program revenue requirement. Actual payment is based on specific VIP period bookings that shipped in the time periods defined within the VIP program rules. Shipment deadlines may be extended at Cisco's discretion if the ship request date falls within the program rules and Cisco is unable to deliver the product prior to the shipment deadline identified in this document.
- 14.** If the partner has an accounts receivable statement that is overdue by 15 days or more, the Cisco Value Incentive Program payment will be withheld until the account is made current.
- 15.** Cisco reserves the right to audit all customer satisfaction surveys.
- 16.** Although this program is intended to create opportunities for Cisco channel partners to increase their margins and profitability, each Channel partner is free to determine its minimum resale prices unilaterally. This program is not a commitment or a guarantee that the channel partner will increase margins and profitability.
- 17.** Cisco reserves the right to refuse this offer to deals that do not comply with the intent of this program.
- 18.** 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 a Cisco Authorized Distributor; and (d) the sale of Cisco products to anyone other than an end user.
- 19.** If a partner is removed from the 6-month enrollment period due to specialization expiration, they can enroll in the 3-month enrollment period if they have a valid specialization upon enrollment in the 3-month period and have satisfied all other program requirements.
- 20.** "Cisco booked" means the order has been entered into Cisco's ordering system, has passed the initial hold/credit

check and complies with Cisco's internal booking acceptance policy.

21. All eligible Opportunity Incentive Program (OIP) and Solution Incentive Program (SIP) booked deals will receive incremental rebate for 1-Tier orders if shipped within the Value Incentive Program shipment cut-off date. Orders that have deviated from OIP/SIP original promotions being combined with Non-standard pricing (DSA deals) will be excluded.
22. Value Incentive Program will allow 90 days after July 31, 2010 for 2-Tier point of sale orders to report Opportunity Incentive Program and Solution Incentive Program booked orders to Cisco. Any distributor adjustments associated with the Core Accelerator Program will be removed from VIP 15.
23. Partners that are removed from the Partner Development Funds (PDF) due to achievement of their Advanced Unified Communication Specialization and that gain attainment in VIP will have the minimum booking requirement removed.
24. Net shipments equal bookings that have shipped less returns.
25. Orders where partners are acting as an OSM per their Cisco OSM contract will be excluded from VIP.
26. Partners should not factor VIP incentives into bid price submissions. Partners who do so proceed at their own risk. Cisco requires Partners to regularly qualify against established criteria and Cisco programs are subject to periodic change or termination by Cisco. Partners who prematurely factor VIP incentives upfront into term contract pricing risk margin erosion and/or profitability. In such situations, Cisco cannot make the partner whole by modifying, waiving, or extending VIP eligibility or by offering any other form of partner post-award relief that was not otherwise made available to all Cisco partners at the time of bid. Cisco may consider additional discounts on a case-by-case basis, where Cisco determines that the competitive nature of an individual transaction warrants additional consideration, as determined solely by Cisco, in Cisco's best interest.
27. When the country in which a partner purchases products eligible for the Value Incentive Program differs from the country in which the end user is located, the following drop ship policy will be applied.

The "Partner" assigned to the transaction will be the Cisco partner who resides in the end user country. (This may be different than the Partner's country that originally booked the order for the end customer). The end customer country will determine the partner VIP bookings eligibility. A Partner must have a legal entity in the country of the end customer to receive the bookings transaction.

First scenario: Partner XYZ in country A is enrolled in VIP. XYZ books VIP SKUs in country A and sells to country B where XYZ is also enrolled. XYZ gets VIP credit towards their VIP bookings in country B.

Second scenario: Partner XYZ in country A is enrolled in VIP. XYZ books VIP SKUs in country A and sells to country B where XYZ has a legal entity but is not enrolled in VIP. XYZ does not get VIP credit in country A or B.

Third scenario: Partner XYZ in country A is enrolled in VIP. XYZ books VIP SKUs in country A and sells to country B where XYZ does not have a legal entity. XYZ does not get VIP credit in country A or B.

Fourth scenario: Partner XYZ in country A is not enrolled in VIP. XYZ books VIP SKUs in country A and sells to country B where XYZ is enrolled. Partner XYZ gets VIP credit towards their VIP bookings in country B.

Theater-specific terms and conditions:

Cisco Entities:

If channel partner's principal place of business is located in Canada, "Cisco" is defined as Cisco Systems Canada Co., a Canadian corporation having its principal place of business at 181 Bay Street, Suite 3400, P.O. Box 802, Toronto, Ontario,

M5J 2T3, Canada.

If channel partner's principal place of business is located in Japan, "**Cisco**" is defined as Cisco Systems G.K., a Japanese corporation having its principal place of business at 9.7.1, Akasaka, Minato-ku, Tokyo 107-6227, Japan.

If channel partner's principal place of business is located in Latin America or the Caribbean (the "**Emerging Markets – West**"), or the United States of America (the "**United States**"), "**Cisco**" is defined as Cisco Systems, Inc., a California corporation having its principal place of business at 170 West Tasman Drive, San Jose, California 95134, United States.

If channel partner's principal place of business is located in the Asia Pacific region (excluding Australia and Japan) or the Middle East (excluding Israel), Africa, Central or Eastern Europe (excluding member states of the European Economic Area), or Russia or the Commonwealth of Independent States (CIS) (together, the "**Emerging Markets – Central/East**"), "**Cisco**" is defined as Cisco Systems International B.V., a corporation organized under the laws of the Netherlands having its principal place of business at Haarlerbergpark, Haarlerbergweg 13-19, 1101 CH, Amsterdam, the Netherlands.

If channel partner's principal place of business is located in Israel, "**Cisco**" is defined as Cisco International Limited, a company organized under the laws of the United Kingdom having its principal place of business at 1 Callaghan Square, Cardiff, CF10 5BT, United Kingdom.

If channel partner's principal place of business is located in the European Economic Area ("EEA"), except for the Netherlands or Italy, "**Cisco**" is defined as Cisco International Limited, a company organized under the laws of the United Kingdom having its principal place of business at 1 Callaghan Square, Cardiff, CF10 5BT, United Kingdom.

If channel partner's principal place of business is located in the Netherlands or Italy, "**Cisco**" is defined as Cisco Systems, International B.V., a corporation organized under the laws of the Netherlands having a place of business at Haarlerbergpark, Haarlerbergweg 13-19, 1101 CH Amsterdam, the Netherlands.

All invoices issued by channel partner to Cisco must be issued in conformity with local VAT requirements. Invoices not issued in conformity with these requirements, will be rejected and returned to the channel partner. Contact your local tax adviser for additional information. Cisco regards the payments to channel partners under this program to be remuneration for marketing penetration services performed by the channel partner. As such, these services fall under the scope of article 56(1)b of EU VAT Directive 2006/112/EG and therefore are subject to VAT in the Netherlands. If the channel partner does not have its seat of business in the Netherlands, Cisco will be obliged to account for the VAT (reverse charge mechanism), and the channel partner should then not charge VAT. Should there be any circumstances at any time whereby either of the parties believes the VAT treatment should be different, this change will need to be justified in writing (by a justification letter in which all relevant regulations and laws leading to this changed conclusion are brought forward) by the party claiming this change in VAT treatment and will need to be accepted by the other party in writing prior to the issuance of invoices with this altered VAT treatment. If there is no agreement on the VAT treatment between the parties, the parties may jointly appoint an independent external expert for a final (binding) decision on the treatment. Costs for such external advice will be borne by the party wishing to change the VAT position as set out above. Invoice requirements by member states can also be found at the traders' information pages of the European Commission:

http://ec.europa.eu/taxation_customs/taxation/vat/traders/vat_community/index_en.htm.

Cisco cannot be held liable for any costs, including but not limited to penalties or interest assessed by Tax Authorities following an incorrect VAT treatment on invoices issued by channel partner. Cisco reserves its right at all times to request a VAT Credit Memo in cases whereby VAT was incorrectly charged by channel partner. Please be informed that if it is determined by an external expert that any indirect taxes (e.g., VAT, GST) and similar taxes are due for marketing penetration services supplied to Cisco, all payment amounts to which channel partner is entitled are deemed to be inclusive of such indirect and similar taxes.* Furthermore, as a local indirect taxpayer, channel partner is responsible for assuring that any payment claim to Cisco is treated correctly in the broadest sense of the word for indirect tax purposes. If, based on an external expert's opinion, VAT is due, Cisco requires a formal tax invoice to be issued, on which the local VAT charged is stipulated separately.

* Apart from the Netherlands.

For partners operating in the Asia Pacific markets:

- All payment amounts that the partners are entitled to are inclusive of **indirect** (e.g., VAT, GST) and similar taxes. Partners are responsible for assuring that any payment claim is treated correctly for indirect taxes. In case local legislation requires a formal tax invoice to be issued, this will be the responsibility of the partners.
- Payments will be payable only if all requisite POS data for the end customer (being the original end user who will ultimately take title to the resold eligible products), including, without limitation, the end customer name, address, and contact details, are received by Cisco at the time the partner first places with Cisco the purchase order for the eligible products. Products purchased for managed services, the partner's internal use, or the use of an unaffiliated third party where title is retained by the partner, are not eligible for program payments.
- For Cisco Authorized Distributor orders, partners enrolled in the program will be tracked from the start of the program to one week prior to the program's end date. Bookings for partners ordering via a distributor are orders both booked and shipped. Cisco does not recognize the POS until the product is shipped, invoiced, and reported back to Cisco by the distributor.
- Any deal that does not book at standard Opportunity Incentive Program, Opportunity Incentive Program Development, Opportunity Incentive Program and Technology Migration Program stacked, or Solution Incentive Program discounts is considered to be non-standard or non-programmatic, and therefore does not qualify for the OIP/SIP kicker. An example is deals that book using the Deals Support Automation (DSA) process.
- Partners operating in China are not eligible to participate in the Routing and Core Switching (OIP/SIP kicker) as they are already enjoying core accelerator benefits via the Accelerator Incentive Program (AIP).

Program Contacts

If you have any questions about the Cisco Value Incentive Program, please contact your Cisco CAM, or open a case at www.cisco.com/go/prt

Click on “View More” under “Partner Relationship Team” section

Step 1: Click on the “Create a Case” tab

Step 2: Select an Application = “VIP-Channels” or “Partner Program View (PPV)”

Step 3: Enter a “Case Title” and a “Description”

Step 4: Submit your case