

## Cisco Value Incentive Program for Advanced Technologies: Period 13

**Revised: January 8, 2009**

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 Cisco Unified Communications, Security, Data Center and Wireless solutions. The Cisco Value Incentive Program provides a payment to partners that achieve program objectives during a 6-month program period or a 3 month program period. The Cisco Value Incentive Program rewards Cisco channel partners for their investment in advanced technologies, and customer satisfaction. The Cisco Value Incentive Program Period 13 runs from January 25, 2009 through July 25, 2009.

### **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 Cisco 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 drive 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 Criteria**

The Cisco Value Incentive Program for Advanced Technologies has nine separate tracks: Unified Communications, Express Unified Communication, Business Edition, Business Edition and Express Unified Communication, Security, Wireless and Data Center. Program criteria and payment qualifications 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 technology track.

### **Unified Communications**

- You must hold a current Advanced Unified Communications Specialization, Express Unified Communications Specialization or Business Edition Authorization at the time of enrollment in the Cisco Value Incentive Program. You must maintain your specialization and/or authorization for the duration of the program.
- 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.

**Security**

- You must hold a current Cisco Advanced Security Specialization at the time of enrollment in the Cisco Value Incentive Program. You must maintain your specialization for the duration of the program.
- You must have access to the 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.

**Wireless**

- You must hold a current Advanced Wireless LAN Specialization at the time of enrollment in the Cisco Value Incentive Program. You must maintain your specialization for the duration of the program.
- You must have access to the 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.

**Data Center**

- You must hold a current Data Center Network infrastructure 2.0 (DCNI 2.0) at the time of enrollment. You must maintain your specialization for the duration of the program.
- You must have access to the 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.

**Application Process**

If you meet the program criteria, please visit the VIP Tool at <http://www.cisco.com/go/viptool>. Click "Apply Online" and complete and submit the appropriate Cisco Value Incentive Program application form.

**Enrollment Timeframes**

Applications for VIP Period 13 will be accepted during the timeframes indicated in Table 1. Participants who enroll and are accepted into the program during Q3 FY2009 will be eligible for the full 6-month period. Participants who enroll and are accepted into the program during Q4 FY2009 will be eligible for a 3-month period.

**Partners that participated in the previous VIP period must re-enroll in VIP Period 13 for each technology track they wish to participate in.** 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.

## VIP Period 13 Enrollment Timeframes

**Table 1.** VIP Period 13 Enrollment

Program Periods	Enrollment Opens	Enrollment Closes	Months in Pay Period	Approximate Date to Receive payment for Orders Booked By 7/25/2009 and Shipped Before 8/10/2009 (*)	Approximate Date to Receive payment for Orders Booked by 7/25/2009, but Shipped Between 8/10/2009 and 10/24/2009 (*)
<b>Q3:</b> 1/25/2009 to 7/25/2009	2/7/2009	2/28/2009	6	October/November 2009	December 2009/January 2010
<b>Q4:</b> 4/26/2009 to 7/25/2009	4/27/2009	5/15/2009	3	October/November 2009	December 2009/January 2010

\* These dates apply to Direct partners only. 2-Tier orders must have shipped from distribution one week prior program end date in order to be eligible for VIP 13.

### Acceptance into the Program

Once you have completed and returned the signed Cisco Value Incentive Program application form, the program administrator will send e-mail to you and your Cisco CAM notifying you of your program status.

### Payout Criteria

#### 1. Unified Communications

You must meet the following criteria for, Unified Communications, Business Edition Reseller Program, Business Edition/Express Unified Communications or Express Unified Communications in full to qualify for any payout for the Cisco Value Incentive Program (Tables 2, 3, 4 and 5).

In addition:

- a. Partners may only enroll in either Unified Communications, Business Edition, Business Edition/Express Unified Communications or Express Unified Communications; partners may not enroll in any of these tracks simultaneously within the VIP program period.
- b. Partners that sign up for Unified Communications and do not meet the minimum sales volume (Table 2) may not switch to another UC track anytime within VIP Period 13.
- c. Partners that sign up for Express Unified Communications and sell more than US\$25,000 (net to Cisco) may not switch to Advanced Unified Communications anytime within VIP Period 13, even if they achieve the Unified Communications Specialization.
- d. Partners cannot change between Unified Communications, Business Edition, Business Edition/Express Unified Communications and Express Unified Communications at any time during the program period. However, partners may change during enrollment for a future program period.

**Table 2.** Unified Communications Payout Criteria (for Advanced Unified Communications Specialized Partners)

Criteria	If Enrolled During Q3	If Enrolled During Q4
1) Specialization	Must maintain <b>valid Advanced Unified Communications Specialization for entire program</b> (enrollment date through 7/25/09).	Must maintain <b>valid Advanced Unified Communications Specialization for entire program</b> (enrollment date through 7/25/09).
2) Sales volume*	<b>Minimum bookings for Advanced Unified Communications Specialized Partners:</b> US\$25,000 net bookings in qualifying Unified Communications SKUs from 1/25/09 through 7/25/09	<b>Minimum bookings for Advanced Unified Communications Specialized Partners:</b> US\$12,500 net bookings in qualifying Unified Communications SKUs from 4/26/09 through 7/25/09
3) Customer satisfaction	<p><b>Average customer satisfaction score:</b> 4.40 or higher on all surveys received from 1/25/09 to 7/17/09</p> <p><b>Minimum number of valid responses for Advanced Unified Communications Specialized Partners**:</b> Your survey target will be determined by applying the following formula to your Unified Communications bookings during the previous VIP period (VIP Period 12): = 4 (up to US\$500,000 bookings) + 1 additional response for each \$250,000 in bookings above \$500,000. Maximum of 20 valid responses required.</p>	<p><b>Average customer satisfaction score:</b> 4.40 or higher on all surveys received from 4/26/09 to 7/17/09</p> <p><b>Minimum number of valid responses for Advanced Unified Communications Specialized Partners**:</b> Your survey target will be determined by applying the following formula to your Unified Communications bookings during the previous VIP period (VIP Period 12): = 2 (up to US\$250,000 bookings) + 1 additional response for each \$250,000 in bookings above \$250,000. Maximum of 20 valid responses required.</p>

**Table 3.** Business Edition (for Business Edition Reseller Authorization)

Criteria	If Enrolled During Q3	If Enrolled During Q4
1) Authorization	Must maintain valid <b>Business Edition Reseller Authorization for entire program</b> (enrollment date through 7/25/09).	Must maintain valid <b>Business Edition Reseller Authorization for entire program</b> (enrollment date through 7/25/09).
2) Sales volume*	<b>Minimum bookings for Business Edition Reseller Authorization Partners:</b> US\$15,000 net bookings in qualifying Unified Communications SKUs from 1/25/09 through 7/25/09	<b>Minimum bookings for Business Edition Authorization Partners:</b> US\$7,500 net bookings in qualifying Unified Communications SKUs from 4/26/09 through 7/25/09
3) Customer satisfaction	<p><b>Average customer satisfaction score:</b> 4.40 or higher on all surveys received from 1/25/09 to 7/17/09</p> <p><b>Minimum number of valid responses for Business Edition Reseller Authorization Partners**:</b> Your survey target will be determined by applying the minimum number of surveys which is 2.</p>	<p><b>Average customer satisfaction score:</b> 4.40 or higher on all surveys received from 4/26/09 to 7/17/09</p> <p><b>Minimum number of valid responses for Business Edition Reseller Authorization Partners**:</b> Your survey target will be determined by applying the minimum number of surveys which is 1.</p>

**Table 4.** Business Edition (for Business Edition Reseller Authorization) and Express Unified Communications Payout Criteria (for Express Unified Communications Specialized)

Criteria	If Enrolled During Q3	If Enrolled During Q4
1) Authorization	Must maintain <b>Express Unified Communications Specialization and Business Edition Reseller for entire program</b> .(enrollment date through 7/25/09).	Must maintain <b>Express Unified Communications Specialization and Business Edition Reseller for entire program</b> .(enrollment date through 7/25/09).
2) Sales volume*	<b>Minimum bookings for Business Edition Reseller Authorization Partners and Express Unified Communications Specialized Partners :</b> US\$30,000 net bookings in qualifying Unified Communications SKUs from 1/25/09 through 7/25/09	<b>Minimum bookings for Business Edition Authorization Partners and Express Unified Communications Specialized Partners:</b> US\$15,000 net bookings in qualifying Unified Communications SKUs from 4/26/09 through 7/25/09
3) Customer satisfaction	<p><b>Average customer satisfaction score:</b> 4.40 or higher on all surveys received from 01/25/09 to 7/17/09</p> <p><b>Minimum number of valid responses for</b></p>	<p><b>Average customer satisfaction score:</b> 4.40 or higher on all surveys received from 04/26/09 to 7/17/09</p> <p><b>Minimum number of valid responses for</b></p>

	<b>Business Edition Reseller Authorization Partners**:</b> Your survey target will be determined by applying the minimum number of surveys which is 2.	<b>Business Edition Reseller Authorization Partners**:</b> Your survey target will be determined by applying the minimum number of surveys which is 1.
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**Table 5.** Express Unified Communications Criteria (for Express Unified Communications Specialized)

Criteria	If Enrolled During Q3	If Enrolled During Q4
<b>1) Specialization</b>	Must maintain valid <b>Express Unified Communications Specialization for entire program</b> (enrollment date through 7/25/09).	Must maintain valid <b>Express Unified Communications Specialization for entire program</b> (enrollment date through 7/25/09)
<b>2) Sales volume*</b>	<b>Minimum bookings for Express Unified Communications Specialized Partners:</b> US\$15,000 net bookings in qualifying Express Unified Communications SKUs from 1/25/09 through 7/25/09	<b>Minimum bookings for Express Unified Communications Specialized Partners:</b> US\$7,500 net bookings in qualifying Express Unified Communications SKUs from 4/26/09 through 7/25/09
<b>3) Customer satisfaction</b>	<b>Average customer satisfaction score:</b> 4.40 or higher on all surveys received from 1/25/09 to 7/17/09  <b>Minimum number of valid responses for Unified Communication Express Specialized Partners**:</b> Your survey target will be determined by applying the following formula to your Express Unified Communications bookings during the previous VIP period (VIP Period 12):  = 2 (up to US\$50,000 bookings) + 1 additional response for each US\$25,000 in bookings above US\$50,000. Maximum of 20 valid responses required.	<b>Average customer satisfaction score:</b> 4.40 or higher on all surveys received from 4/26/09 to 7/17/09  <b>Minimum number of valid responses for Unified Communication Express Specialized Partners**:</b> Your survey target will be determined by applying the following formula to your Express Unified Communications bookings during the previous VIP period (VIP Period 12):  = 1 (up to US\$25,000 bookings) + 1 additional response for each US\$25,000 in bookings above US\$25,000. Maximum of 20 valid responses required.

## 2. VPN/Security

You must meet the criteria listed in Table 6 in full to qualify for any payout for the Cisco Value Incentive Program.

**Table 6.** VPN/Security Payout Criteria

Criteria	If Enrolled During Q3	If Enrolled During Q4
<b>1) Specialization</b>	Must maintain valid <b>Advanced Security Specialization for the entire program</b> (enrollment date through 7/25/09)	Must maintain valid <b>Advanced Security Specialization for the entire program</b> (enrollment date through 7/25/09)
<b>2) Sales volume*</b>	<b>Minimum bookings:</b> US\$20,000 net bookings in qualifying VPN/Security SKUs from 1/25/09 through 7/25/09	<b>Minimum bookings:</b> US\$10,000 net bookings in qualifying VPN/Security SKUs from 4/26/09 through 7/25/09
<b>3) Customer satisfaction</b>	<b>Average customer satisfaction score:</b> 4.40 or higher on all surveys received from 1/25/09 to 7/17/09  <b>Minimum number of valid responses**:</b> Your survey target will be determined by applying the following formula to your security bookings from the previous VIP period (VIP Period 12):  = 4 (up to US\$500,000 bookings) + 1 additional response for each \$250,000 in bookings above \$500,000. Maximum of 20 valid responses required.	<b>Average customer satisfaction score:</b> 4.40 or higher on all surveys received from 4/26/09 to 7/17/09  <b>Minimum number of valid responses**:</b> Your survey target will be determined by applying the following formula to your security bookings from the previous VIP period (VIP Period 12):  = 2 (up to US\$250,000 bookings) + 1 additional response for each \$250,000 in bookings above \$250,000. Maximum of 20 valid responses required.

## 3. Wireless LAN

You must meet the criteria listed in Table 7 in full to qualify for any payout for the Cisco Value Incentive Program.

**Table 7.** Wireless LAN Criteria

Criteria	If Enrolled During Q3	If Enrolled During Q4
<b>1) Specialization</b>	Must maintain <b>valid Advanced Wireless LAN Specialization for the entire program</b> (enrollment date through 7/25/09)	Must maintain <b>valid Advanced Wireless LAN Specialization for the entire program</b> (enrollment date through 7/25/09)
<b>2) Sales volume*</b>	<b>Minimum bookings:</b> US\$15,000 net bookings in qualifying WLAN SKUs from 1/25/09 through 7/25/09	<b>Minimum bookings:</b> US\$7,500 net bookings in qualifying WLAN SKUs from 4/26/09 through 7/25/09
<b>3) Customer satisfaction</b>	<p><b>Average customer satisfaction score:</b> 4.40 or higher on all surveys received from 1/25/09 to 7/17/09</p> <p><b>Minimum number of valid responses**:</b> <b>Your survey target will be determined by applying the following formula to your security bookings from the previous VIP period (VIP Period 12):</b> = 2 (up to US\$500,000 bookings) + 1 additional response for each \$250,000 in bookings above \$500,000. Maximum of 20 valid responses required.</p>	<p><b>Average customer satisfaction score:</b> 4.40 or higher on all surveys received from 4/26/09 to 7/17/09</p> <p><b>Minimum number of valid responses**:</b> <b>Your survey target will be determined by applying the following formula to your security bookings from the previous VIP period (VIP Period 12):</b> = 1 (up to US\$250,000 bookings) + 1 additional response for each \$250,000 in bookings above \$250,000. Maximum of 20 valid responses required.</p>

## 4. Data Center

You must meet the criteria listed in Table 8 in full to qualify for any payout for the Cisco Value Incentive Program

**Table 8.** Data Center Criteria

Criteria	If Enrolled During Q3	If Enrolled During Q4
<b>1) Certification</b>	Must maintain <b>valid DCNI 2.0 for the entire program</b> (enrollment date through 7/25/09).	Must maintain <b>valid DCNI 2.0 for the entire program</b> (enrollment date through 7/25/09).
<b>2) Sales volume*</b>	<b>Minimum bookings:</b> US\$150,000 net bookings in qualifying Data Center SKUs from 1/25/09 through 7/25/09	<b>Minimum bookings:</b> US\$75,000 net bookings in qualifying Data Center SKUs from 4/26/09 through 7/25/09
<b>3) Customer satisfaction</b>	<p><b>Average customer satisfaction score:</b> 4.40 or higher on all surveys received from 1/25/09 to 7/17/09</p> <p><b>Minimum number of valid responses**:</b> <b>Your survey target will be determined by applying the following formula to your Data Center bookings from the previous VIP period (VIP Period 12):</b> = 4 (up to US\$500,000 bookings) + 1 additional response for each \$250,000 in bookings above \$500,000. Maximum of 20 valid responses required.</p>	<p><b>Average customer satisfaction score:</b> 4.40 or higher on all surveys received from 4/26/09 to 7/17/09</p> <p><b>Minimum number of valid responses**:</b> <b>Your survey target will be determined by applying the following formula to your security bookings from the previous VIP period (VIP Period 12):</b> = 2 (up to US\$500,000 bookings) + 1 additional response for each \$250,000 in bookings above \$500,000. Maximum of 20 valid responses required..</p>

\* Net bookings = VIP period bookings less VIP period de-bookings. Bookings are recognized when order is placed with Cisco. Authorized Distributor orders may not be received by Cisco on the same business day an order is placed with a Cisco Authorized Distributor. Authorized Distributor bookings are typically received by Cisco in one business day; Sales through distributors must ship and be invoiced one week prior to program period ends to apply towards VIP 13 bookings. 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 Unified Communications, Wireless LAN, Data Center and VPN/Security

- Rates the partner on overall customer presales and/or post-sales satisfaction

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

### Incentive Details

Table 9 provides information on Value Incentive Program payout. Incentives cannot be applied for partner internal purchases.

**Table 9.** Product Incentive Summary

	Unified Comm.	Bus. Edition	Business Edition & Express UC	Express Unified Comm.	Wireless LAN	Data Center	VPN/Sec.
<b>Cat.</b>							
<b>A/</b>	21%/	16%/	16%/	16%/	8%	10%/	14%/
<b>B/</b>	16%/	12%/	12%/	12%/	3%	5%/	6%/
<b>C</b>	12%	12%	12%	12%	12%	12%	12%
<b>Master Spec. bonus</b>	3% incremental	None	None	None	None	None	3% incremental
<b>Gold Cert. bonus</b>	1% incremental	None	None	None	1% incremental	1% incremental	1% incremental

**Base incentives:** Cisco will offer the base incentives in Table 9 to qualifying partners for each Value Incentive Program track based on net shipments on all eligible SKUs for resale during the program period specified in Table 1. Note: Unified Communications and Express Unified Communications Specialized Partners have separate SKU lists. For a complete listing of eligible SKUs, visit <http://www.cisco.com/go/vip>.

Please see posted program product list for details at <http://www.cisco.com/go/vip>.

**Gold Certified Partner incentive:** Cisco will offer qualifying Gold Certified Partners an additional 1% incentive for Unified Communications, Wireless LAN, Data Center and VPN/Security, tracks based on net shipments on all eligible SKUs for resale during the program period specified in Table 1. The partner must have Gold Certification upon enrollment and must maintain that status throughout the program period (enrollment date through 7/25/09). Note: Unified Communications and Express Unified Communications Specialized Partners have separate SKU lists. For a complete listing of eligible SKUs, visit <http://www.cisco.com/go/vip>.

**Master Specialized Partner Incentive:** Cisco will offer qualifying Master Specialized Partners an additional 3% incentive for Unified Communications, and VPN/Security based on net shipments on all eligible SKUs for resale during the program period specified in Table 1. The partner must achieve Master Specialization upon enrollment and maintain it for the entire program period to be eligible for this additional 3% incentive.

## Customer Satisfaction Details

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. We recommend that you issue this survey to your Unified Communications, Wireless LAN, Data Center and Security product customers during the Cisco Value Incentive Program period. More information on the survey is provided in Table 12.

The Cisco PAL tool is used to send surveys for the Cisco Value Incentive Program customer satisfaction requirement. The VIP Tool provides partners with real-time, customized access to the results of the customer satisfaction surveys.

For more information about the Cisco PAL Tool, visit <http://www.cisco.com/go/pal>.

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

**Table 12.** Customer Satisfaction

<b>Global Customer Satisfaction Survey period</b>	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"> <li>Start date: January 25, 2009</li> <li>End date: July 17, 2009</li> </ul>
<b>Customers that can be surveyed</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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).</li> <li>Partners may survey any customer to whom they sold Unified Communications, Wireless LAN, Data Center or VPN/Security products during the current program period.</li> <li>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.</li> </ul>
<b>Customer satisfaction calculation</b>	The customer satisfaction calculation will be based on the weighted average score of the partner presales and post-sales satisfaction score for the valid survey.
<b>Valid customer responses</b>	Only surveys that meet the following criteria will count toward achievement of the customer satisfaction criteria: <ol style="list-style-type: none"> <li>Survey is sent by the partner.</li> <li>The end customer validates that they have obtained products or services from a partner.</li> <li>The end customer agrees to evaluate the partner.</li> <li>The end customer validates the technology that was delivered to them by the partner. The partner can pre-populate survey with the technologies that were delivered to the customer; the end customer can change these if needed.</li> <li>The end customer provides an overall presales and/or postsales satisfaction rating.</li> <li>Cisco must receive the completed survey by 5 p.m. PT on July 17, 2009</li> </ol>

For more information 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 Unified Communications, Business Edition, Express Unified Communications, Wireless LAN, Data Center and VPN/Security SKUs for VIP Period 13, 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.



### VIP13 Terms and Conditions

1. The current version of this program is valid from *January 25, 2009* through *July 25, 2009*.
2. No other SKUs or product families are eligible for the payment other than those SKUs specifically identified for this program.
3. Payments will be made only on the title-transfer resale 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 payments.
4. 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 Partner first places with Cisco the purchase order for the eligible products.
5. Products that are procured from distributors may only be purchased from Authorized Cisco Distributors and/or Cisco Authorized Channel within the country they are authorized.
6. Partners are responsible for keeping their own sales information. Cisco will provide access to partner results through the Partner Program View. 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 *August 26, 2009*. Any discrepancies between Bookings and Revenue must be reported immediately. Revenue discrepancies must be reported by *November 1, 2009*. Partners should refer to Partner Program View for their official bookings status and for their official CSAT results. Information obtained from Cisco personnel other than the Cisco VIP team (i.e., CAMs) will not take precedence over the information on the VIP Tool and Partner Program View and will not be honored in any disputes. In order to correct an error in the VIP Tool and/or Partner Program View, partners must open a partner help online case (<http://www.ciscopartnerhelp.com>) with the VIP theater administrator.
7. Partners purchasing from Authorized Cisco Distributors and/or Cisco Authorized Channels shall ensure that the sales data reported by Authorized Cisco Distributors and/or Cisco Authorized Channels to Cisco is correct. In cases where sales transactions are ineligible because of incorrect data reported by Authorized Cisco Distributor and/or Cisco Authorized Channels in the backend 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).
8. Sales that are eligible for the payment under the Cisco Value Incentive Program are not eligible for any other Cisco back end payment programs unless otherwise stated by Cisco.
9. Cisco reserves the right to modify or cancel the program at its discretion without prior notice to channel partners.
10. Applications are subject to approval and verification of enrollment criteria.
11. Payments are based on meeting full payout criteria.

12. Payment is not based on Bookings but on Shipments. Net bookings are used to qualify 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.
13. 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.
14. 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.
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 grow their 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 grow profitability.
17. Cisco reserves the right to refuse this offer to deals that do not comply with the intent of this program.
18. The intent of the VIP program is for partner profitability. 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.
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, passed the initial hold/credit check and complies with Cisco's internal booking acceptance policy
21. When the country where a partner purchases VIP eligible products differs from the country where 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 which originally booked order for end customer).

The end customer country will determine the partner VIP Bookings eligibility. A Partner must have a legal entity in the country of end customer to receive the Bookings transaction.

1<sup>st</sup> Scenario: Partner XYZ in country A is enrolled in VIP. XYZ books VIP sku's in country A and sells to country B where XYZ is also enrolled. XYZ gets VIP credit towards their VIP bookings in country B.

2<sup>nd</sup> scenario: Partner XYZ in country A is enrolled in VIP. XYZ books VIP sku's in country A and sells to country B where XYZ has a legal entity but not enrolled in VIP. XYZ does not get VIP credit in country A or B.

3<sup>rd</sup> scenario: Partner XYZ in country A is enrolled in VIP. XYZ books VIP sku's 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.

4<sup>th</sup> scenario: Partner XYZ in country A is not enrolled in VIP. XYZ books VIP sku's in country A and sells to country B where XYZ is enrolled. Partner XYZ gets VIP credit towards their VIP bookings in country B.

## 22. Theatre specific terms and conditions

### a) For partners operating in the US and Canada markets

- o All Canadian payments under this Program are **exclusive** of any taxes, fees and duties or other amounts, however designated, and including without limitation, Goods and Services Tax (GST), Provincial Sales Tax (PST), value added and withholding taxes which are levied or based upon such payments or the prices paid for Products or Services, or upon this Program.
- o VIP shall be extended to qualified Channel Partners on a non-negotiable basis and shall be in compliance with the Competition Act of Canada.
- o Any Canadian rebates or other incentives under this VIP program are non-transferable and/or assignable

### b) For partners operating in the European markets

- o Please be informed that all invoices issued by you to Cisco Systems International BV's ("CSI BV") should be issued in conformity with local VAT requirements. If the invoice is not issued in conformity with these requirements, we are forced to reject the invoice immediately and return it to you. We advise you to contact your local tax advisor for additional information. The parties acknowledge that CSI BV regards the payments to partner under this Program to be remunerations for marketing penetration services performed by partner. As such, these services fall under the scope of article 56(1)b of EU VAT Directive 2006/112/EG and therefore subject to VAT in the Netherlands. If partner does not have its seat of business in the Netherlands, CSI BV will be obliged to account for the VAT (reverse charge mechanism) and partner should then not charge VAT. Should there be any circumstances at any time whereby either of the parties believe 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 issue 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. Please be advised that invoice requirements by Member State 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](http://ec.europa.eu/taxation_customs/taxation/vat/traders/vat_community/index_en.htm)

- o 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 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.
- o 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 Partner first places with Cisco the purchase order for the eligible products. Products purchased for managed service, 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.
- o Invoices for payments from qualifying partners must not be received by Cisco Systems later than *January 31, 2010* and have to be compliant with Cisco invoice requirements. If invoices are received beyond this date or if invoices are received before the date but are not compliant with Cisco invoice requirements, Cisco reserves the right not to process the payment.

**c) For partners operating in the Asia Pacific markets**

- o 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 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.
- o For Authorized Distributor orders, partners enrolled for 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 Distributor are orders both booked and shipped. Cisco does not recognize the point-of-sale (POS) until product is shipped, invoiced and reported back to Cisco by the Distributor

**d) For partners operating in the Emerging markets**

- o Please be informed that all invoices issued by you to Cisco Systems International BV's ("CSI BV") should be issued in conformity with local VAT requirements. If the invoice is not issued in conformity with these requirements, we are forced to

reject the invoice immediately and return it to you. We advise you to contact your local tax advisor for additional information. The parties acknowledge that CSI BV regards the payments to partner under this Program to be remunerations for marketing penetration services performed by partner. As such, these services fall under the scope of article 56(1)b of EU VAT Directive 2006/112/EG and therefore subject to VAT in the Netherlands. If partner does not have its seat of business in the Netherlands, CSI BV will be obliged to account for the VAT (reverse charge mechanism) and partner should then not charge VAT. Should there be any circumstances at any time whereby either of the parties believe 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 issue 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. Please be advised that invoice requirements by Member State 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](http://ec.europa.eu/taxation_customs/taxation/vat/traders/vat_community/index_en.htm)

- o 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 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.
- o 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 Partner first places with Cisco the purchase order for the eligible products.. Products purchased for managed service, 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.
- o In case that the Cisco Channel Partner is a single legal entity doing business as an authorized Cisco Channel Partner in more than one country, the Cisco Channel Partner must specify in the enrollment application for which countries it is applying, and all of the VIP requirements must be met on the aggregation of those countries.

If, on the contrary, the Cisco Channel Partner is part of a group of affiliated companies each of which conducts business in one or more different countries

within the [CANSAC/SAS] region, each of the affiliates must submit a separated application, specifying for which country or group of countries they want to be enrolled into, and each affiliate must meet the VIP requirements in the country or countries where it conducts business.

- o Invoices for payments from qualifying partners must not be received by Cisco Systems later than *January 31, 2010* and have to be compliant with Cisco invoice requirements. If invoices are received beyond this date or if invoices are received before the date but are not compliant with Cisco invoice requirements, Cisco reserves the right not to process the payment.
- e) For partners operating in Japan
- o All payment amounts that the partners are entitled to are inclusive of **indirect** (e.g. Consumption Tax) and similar taxes. Partners are responsible for assuring 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.
  - o To qualify partner for VIP revenue requirement, net bookings are used for orders placed with Cisco (Direct Orders) and net POS (point-of-sale) are used for orders placed with Cisco Authorized Distributor (Indirect Orders). Cisco will consider that partners accept by enrolling in VIP the use of net bookings for Direct Orders and the use of net POS for Indirect Orders. Cisco will not recognize Indirect Orders until Cisco receives POS reports by which Cisco Authorized Distributor confirms shipment of Indirect Orders. Notwithstanding any contrary statements or representation made by Cisco or Cisco Authorized Distributor, Indirect Orders to be included in net bookings must be shipped and reported in the form of POS reports to Cisco by Cisco Authorized Distributor on or before *July 24, 2009*
  - o Actual payment is based on specific VIP period bookings that ship by *August 26, 2009* for first payment and *October 27, 2009* for the second payment.
  - o The payments for Direct Orders will be paid to qualifying Cisco Systems Integrators by credit memo. Partners must reply to Cisco in e-mail that they agree to the calculated payment amount, in order for Cisco to start the payment process.
  - o The payment based on Indirect Orders will be paid to qualifying partners by bank transfer
    - I. The qualifying partners are required to deliver invoices for payment of Indirect Orders.
    - II. Such invoices must be received by Cisco no later than *October 30, 2009*. If invoices are received beyond this date, Cisco reserves the right not to make payment.
    - III. The currency of payment is the one of the price list applicable to Cisco Systems Integrators under the respective Systems Integrator Agreements

where the qualifying partners are Cisco Systems Integrators, while the currency of payment is Japanese Yen where the qualifying partners are not Cisco Systems Integrators.

- IV. For calculation of payments, Cisco uses the exchange rate which is used in Cisco on *July 26, 2009*.
- V. Cisco takes approximately 10 days upon its receipt of all necessary documents to register the partner's information to Cisco's financial system if Cisco's payment to such partner is for the first time
- Cisco respects partners' privacy and is committed to protect the personal information that partners share with us. Cisco may use partners' personal information which is entered in VIP tool for the enrollment of this program to keep partners up to date on the latest information of this program. Cisco acknowledges partners' agreement for our privacy statement upon the enrollment of the program. The Cisco Privacy Statement <http://www.cisco.com/japanese/warp/public/3/jp/privacy.shtml> describes how Cisco collects and uses partners' personal information.