VIP 43 Appendix: Incentive Rules

Contents

Note: This document is updated periodically by Cisco. Partners can view the most recent version at the VIP website at www.cisco.com/go/vip. Always refer to the English version as the most current version. In the event of any conflicts between a translated version of the document and the English version located on the incentives website, to the extent permitted by law, the English version, which is part of the agreement between Cisco and its Partners, will be the prevailing version.

Overview

The Cisco® VIP incentive ("Incentive") is a comprehensive back-end payment incentive designed to increase margins for Cisco partners that resell Cisco strategic offers across hardware and software. Additional Incentive payments can be earned when partners execute in other strategic activities like investing in Cisco competencies. The Incentive provides payments to partners that achieve incentive objectives during a 6-month incentive period ("Incentive Period" or "VIP Period"). VIP Period 43 (VIP 43) runs from January 28, 2024 through July 27, 2024.

> Theater-Specific Terms and Conditions.
>
> In lieu of rebates, this Incentive provides a reward in the form of a discount on the future purchase order(s) to partners in the People's Republic of China ("PRC") that achieve incentive objectives during Incentive Period. Partners transacting business through Cisco China Company Limited and Cisco (China) Innovation Technology Co., Ltd. are not eligible for rebates under VIP. The incentive definitions are the same for calculating discount on the future purchase order(s). The specific business rules are provided in the Theater-Specific Terms and Conditions.

The VIP Appendix: Incentive Rules ("VIP Incentive Rules") defines key incentive elements, including but not limited to, enrollment, entry eligibility criteria, payout criteria, and general incentive rules. The partner should review the VIP Selling Guide at the Incentive website (www.cisco.com/go/vip) to check for any modifications and/or changes.

This VIP Incentive Rules document is incorporated by reference into the *Channel Program Incentive Agreement* located on the Partner Program Enrollment tool at: http://www.cisco.com/go/ppe. In the event of a conflict between the *VIP Incentive Rules* and the *Channel Program Incentive Agreement,* the *VIP Incentive Rules* prevails.

Table 1. Timeframes for VIP 43

Incentive period	Incentive duration	Enrollment open date	Enrollment close date	Approximate date to receive payment for orders booked by July 27, 2024 and shipped:	
				Before August 10, 2024	Between August 10, 2024 and October 26, 2024
January 28, 2024 to July 27, 2024	6 months	January 28, 2024	July 27, 2024	October 2024	December 2024

Argentina only: Orders shipped between October 26, 2024 and January 24, 2025 will be paid with the earliest regular payment run.

Enrollment

To enroll in the Incentive, the partner must first accept the terms and conditions outlined in the Channel Program Incentive Agreement ("CPIA"), through the Partner Program Enrollment Tool at: http://www.cisco.com/go/ppe. Once the CPIA enrollment is approved, Cisco will automatically enroll the partner into the Incentive, the following day, for subtracks where the enrollment prerequisites are met. If the partner is already enrolled in the CPIA, Cisco will proceed with auto-enrollment to the Incentive on the first day of the new Incentive Period, for the subtracks where the enrollment prerequisites are met. The partner will also be automatically enrolled to any additional subtrack the following day after meeting new enrollment prerequisite. The partner will receive a notification confirming the specific subtrack(s) they are eligible for upon successful enrollment. Table 2 lists the tracks and subtracks for Cisco VIP Period 43, with the prerequisites for each.

Partner must hold the required specialization or role for each subtrack at the time of enrollment. Payments must be earned independently for each subtrack.

For additional information on the steps to enroll and opening a support case if required*, reference the VIP 43 Operations Guide.

* *For any enrollment issues, a support case needs to be opened in Customer Service Hub (CSH). Issues reported via email will not be considered.*

Entry requirements and payout criteria

As outlined in the Enrollment section, the partner must meet the entry prerequisites for a specific subtrack prior to enrollment. The partner must also maintain the required specialization and/or role throughout the Incentive Period to qualify for any payout. Table 2 (Architecture Track), Table 3 (Annuity Track), and Table 4 (Solutions Track) below outline the criteria for each subtracks.

Partners who are Cisco Registered or Select Integrator or Select Provider partners and are not a Cisco Premier Integrator, Gold Integrator, or Global Gold Integrator partners, or who are not Gold Provider or Premier Provider partners are not eligible to participate in VIP.

Table 2. Architecture Track enrollment prerequisites and payout requirements

VIP – Architecture Track Enrollment prerequisites and payout requirements			
Enrollment prerequisites		Payout requirements	
Subtrack	**Required at time of enrollment**	**Must maintain throughout the incentive period***	**Sales volume *****
Enterprise Networks	• Advanced Enterprise Networks Architecture Specialization, and/or • Gold Provider or Premier Provider role, and/or • Global Gold Integrator role	• Advanced Enterprise Networks Architecture Specialization, and/or • Gold Provider or Premier Provider role, and/or • Global Gold Integrator role	Must purchase the minimum net bookings in qualifying VIP Eligible SKUs**
Security	• Advanced Security Architecture Specialization, and/or • Gold Provider or Premier Provider role, and/or • Global Gold Integrator role	• Advanced Security Architecture Specialization, and/or • Gold Provider or Premier Provider role, and/or • Global Gold Integrator role	
Data Center	• Advanced Data Center Architecture Specialization, and/or • Gold Provider or Premier Provider role, and/or • Global Gold Integrator role	• Advanced Data Center Architecture Specialization, and/or • Gold Provider or Premier Provider role, and/or • Global Gold Integrator role	
Collaboration	• Advanced Collaboration Architecture Specialization, and/or • Gold Provider or Premier Provider role, and/or • Global Gold Integrator role	• Advanced Collaboration Architecture Specialization, and/or • Gold Provider or Premier Provider role, and/or • Global Gold Integrator role	

Mass-Scale Infrastructure	• Advanced Service Provider Architecture Specialization	• Advanced Service Provider Architecture Specialization	
Meraki	• Advanced Enterprise Networks Architecture Specialization, and/or • Gold Provider or Premier Provider role, and/or • Global Gold Integrator role	• Advanced Enterprise Networks Architecture Specialization, and/or • Gold Provider or Premier Provider role, and/or • Global Gold Integrator role	
Internet of Things (IoT)	• IoT Advantage Specialization, and/or • IoT Specialization	• IoT Advantage Specialization, and/or • IoT Specialization	

Table 3. Annuity Track enrollment prerequisites and payout requirements

VIP - Annuity Track Enrollment prerequisites and payout requirements			
Enrollment prerequisites		Payout requirements	
Subtrack	**Required at time of enrollment**	**Must maintain throughout the incentive period***	**Sales volume*****
Enterprise Networks Annuity	• Advanced Enterprise Networks Architecture Specialization, and/or • Networking Specialization, or Small Business Specialization, and/or • Gold Provider or Premier Provider role, and/or • Global Gold Integrator role	• Advanced Enterprise Networks Architecture Specialization, and/or • Networking Specialization, or Small Business Specialization, and/or • Gold Provider or Premier Provider role, and/or • Global Gold Integrator role	Must purchase the minimum net bookings in qualifying VIP Eligible SKUs**
Security Annuity	• Advanced Security Architecture Specialization, and/or • Security Specialization, or Small Business Specialization, and/or • Gold Provider or Premier Provider role, and/or • Global Gold Integrator role	• Advanced Security Architecture Specialization, and/or • Security Specialization, or Small Business Specialization, and/or • Gold Provider or Premier Provider role, and/or • Global Gold Integrator role	
Data Center Annuity	• Advanced Data Center Architecture Specialization, and/or • Data Center Specialization, or Small Business Specialization, and/or • Gold Provider or Premier Provider role, and/or • Global Gold Integrator role	• Advanced Data Center Architecture, and/or • Data Center Specialization, or Small Business Specialization, and/or • Gold Provider or Premier Provider role, and/or • Global Gold Integrator role	
Collaboration Annuity	• Collaboration SaaS Specialization, and/or • Gold Provider or Premier Provider role	• Collaboration SaaS Specialization, and/or • Gold Provider or Premier Provider role	
Mass-Scale Infrastructure Annuity	• Advanced Service Provider Architecture Specialization	• Advanced Service Provider Architecture Specialization	

Meraki Annuity	• Advanced Enterprise Networks Architecture Specialization, and/or • Networking Specialization, or Small Business Specialization, and/or • Gold Provider or Premier Provider role, and/or • Global Gold Integrator role	• Advanced Enterprise Networks Architecture Specialization, and/or • Networking Specialization, or Small Business Specialization, and/or • Gold Provider or Premier Provider role, and/or • Global Gold Integrator role	
IoT Annuity	• IoT Advantage Specialization, and/or • IoT Specialization	• IoT Advantage Specialization, and/or • IoT Specialization	

Table 4. Solutions Track enrollment prerequisites and payout requirements

VIP – Solutions Track Enrollment prerequisites and payout requirements			
Enrollment prerequisites		Payout requirements	
Subtrack	**Required at time of enrollment**	**Must maintain throughout the incentive period***	**Sales volume*****
Full Stack Observability (FSO)	• Full Stack Observability Specialization, and/or • Cisco Powered Services Full Stack Observability Specialization	• Full Stack Observability Specialization, and/or • Cisco Powered Services Full Stack Observability Specialization	Must purchase the minimum net bookings in qualifying VIP Eligible SKUs**
Security Solutions	• Secure Access Services Edge Specialization, and/or • Extended Detection and Response (XDR) Specialization, and/or • Cisco Powered SASE Specialization	• Secure Access Services Edge Specialization, and/or • Extended Detection and Response (XDR) Specialization, and/or • Cisco Powered SASE Specialization	
Hybrid Work from Office	• Hybrid Work from Office Specialization	• Hybrid Work from Office Specialization	
Hybrid Cloud Computing	• Hybrid Cloud Computing Specialization, and/or • Cisco Powered Hybrid Cloud Specialization, and/or • Cisco Powered Sovereign Cloud Specialization	• Hybrid Cloud Computing Specialization, and/or • Cisco Powered Hybrid Cloud Specialization, and/or • Cisco Powered Sovereign Cloud Specialization	
Hybrid Cloud Networking	• Hybrid Cloud Networking Specialization, and/or • Cisco Powered Hybrid Cloud Specialization, and/or • Cisco Powered Sovereign Cloud Specialization	• Hybrid Cloud Networking Specialization, and/or • Cisco Powered Hybrid Cloud Specialization, and/or • Cisco Powered Sovereign Cloud Specialization	
Hybrid Cloud Software	• Hybrid Cloud Software Specialization, and/or • Cisco Powered Hybrid Cloud, and/or Specialization	• Hybrid Cloud Software Specialization, and/or • Cisco Powered Hybrid Cloud, and/or Specialization	

	• Cisco Powered Sovereign Cloud Specialization	• Cisco Powered Sovereign Cloud Specialization	
IoT Industrial Solutions	• Industrial IoT Solutions Specialization	• Industrial IoT Solutions Specialization	

* From the subtrack enrollment date through July 27, 2024.

** The minimum bookings calculation begins on the VIP enrollment date. The minimum bookings target remains the same, regardless the date of enrollment, and VIP eligible bookings from all three VIP Tracks are recognized against the target.

***Sales volume: For Global Gold Integrator partners, the overall VIP minimum bookings targets are replaced by the minimum bookings requirement of Global Gold Integrator role.

- **Partners enrolled in VIP and ordering directly from Cisco:** Direct bookings are recognized when the order is "Cisco booked."
- **Partners enrolled in VIP and ordering indirectly 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, to qualify the booking transaction, Cisco will consider the posted date: the date the distributor posted the POS transaction to Cisco, it passes the initial checks, and it complies with Cisco's internal POS acceptance policy. The POS transaction must be posted no later than July 25, 2024 to be valid for the current VIP Period 43. If the distribution order is placed using the Channels Booking Neutrality (CBN) process from Cisco, the distribution order will be converted to a direct order and treated as such. The CBN order would then follow the same deadline dates as a direct order: booking by July 27, 2024 and shipped by October 26, 2024. If the distribution order is placed using the Distribution Sales Visibility (DSV) process, the DSV order would follow the similar deadline dates as a direct order: DSV booking by July 27, 2024, and DSV POS transaction posting no later than October 26, 2024 to be valid for VIP Period 43. Transactions will be removed from the minimum bookings calculation if, the DSV POS was not provided and the DSV booking was canceled, or in case of any other cancellation in alignment with DVS rules. Such removal will happen even if a DSV booking cancellation occurs outside of the Incentive Period.

Minimum bookings payout requirements

The partner must meet and maintain the overall VIP minimum bookings for its country or country group. Minimum bookings requirements are determined by net bookings for orders placed with Cisco (Direct, and CBN Orders), net POS (point-of-sale) and net DSV POS, i.e. the price in between Cisco and the Distributor, for orders placed with a Cisco Authorized Distributor or Authorized Channel (other Indirect Orders), and by Total Contract Value (TCV) of new subscriptions, expansions of existing ones, and subscription renewals. Minimum bookings targets are in United States Dollars (USD), except for Canada, where they are in Canadian Dollars (CAD).

Table 5. Requirements: Overall VIP minimum bookings for the Americas

Americas	USA	Canada	Mexico	Argentina, Chile, Peru, Uruguay, Bolivia, Paraguay	CANSAC	Brazil
	1,800,000	1,000,000	750,000	750,000	750,000	750,000

Table 6. Requirements: Overall VIP minimum bookings for APJC

APJC	Japan	Australia	India Sub-continent	Singapore	Korea (South, Republic of)	Indonesia
	1,000,000	750,000	750,000	750,000	750,000	750,000

	Thailand	Malaysia	New Zealand	Philppines	Vietnam	China
	750,000	750,000	750,000	750,000	750,000	550,000
	Hong Kong	Taiwan	Kiribati	Niue	Heard and McDonald Islands	Nauru
	750,000	750,000	750,000	750,000	750,000	750,000
	Pitcairn	Svalbard	Christmas Island	South Pacific Islands	Marshall Islands	Micronesia
	750,000	750,000	750,000	750,000	750,000	750,000
	Palau	Tuvalu	Cocos Islands	Tokelau	Antarctica	Tonga
	750,000	750,000	750,000	750,000	750,000	750,000
	Norfolk Island					
	750,000					

Table 7. Requirements: Overall VIP minimum bookings for EMEA

EMEA	UK	Germany	France	Italy	Switzerland	Spain
	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	Netherlands	BELUX	Austria	Denmark	Norway	Sweden
	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	Gulf	Saudi Arabia	Poland	MENAL	Europe East	Greece, Cyprus, Malta
	1,000,000	750,000	750,000	750,000	750,000	750,000
	Ireland	Israel	Portugal	Hungary	Czech Republic	South East Europe
	750,000	750,000	750,000	750,000	750,000	750,000
	Pakistan	South Africa	Finland	Iceland	Baltics	East Africa
	750,000	750,000	750,000	750,000	550,000	550,000
	Western and Central Africa	West English Africa	Emerging South Africa	Vatican City		
	550,000	550,000	550,000	550,000		

Precedence rules

Precedence rules govern the allocation of VIP bookings immediately upon ordering regardless of partner payout eligibility.

1. Mass-Scale Infrastructure subtrack will take precedence over Enterprise Networks subtrack in bookings for which the SKUs are eligible in both subtracks.
2. Mass-Scale Infrastructure subtrack will take precedence over the Data Center subtrack in bookings for which the SKUs are eligible in both subtracks.
3. Data Center subtrack will take precedence over the Enterprise Networks subtrack in bookings for which the SKUs are eligible in both subtracks.
4. Solutions Track will take precedence over the Architecure Track in bookings for which the SKUs are eligible in both Tracks.
5. Solutions Track will take precedence over the Annuity Track in TCV of the new subscriptions and replacement of existing ones for which the SKUs are eligible in both Tracks. In addition, Solutions Track will take precedence over the Annuity Track in TCV of expansions and renewals of existing subscriptions with new SKUs additions into the subscriptions for which the new SKUs are eligible in both Tracks. TCV of expansions and renewals of existing SKUs in the subscriptions will continue to be allocated to Annuity Track.
6. Hybrid Cloud Computing subtrack will take precedence over the Hybrid Cloud Software subtrack in bookings for which the SKUs are eligible in both subtracks.

Incentive compensation framework

The Incentive compensation framework is comprised of both Base Incentives and Incremental Incentives.

Base incentives

Cisco will offer the Base Incentives to qualifying partners for each VIP subtrack based on net shipments of all eligible SKUs during the Incentive Period in the Architecture Track, or Cumulative Monthly Contract Value (MCV) of all eligible SKUs within the Incentive Period on Cisco's Annuity platform in CCW in the Annuity Track. In addition, Cisco will offer Base Incentives/SKU Incentive to qualifying partners for each VIP subtrack based on net shipments of all eligible hardware SKUs and TCV of eligible new subscriptions (Land Incentive), expansions of existing ones (Expand Incentive), and subscription renewals (Renewal Incentive) during the Incentive Period in the Solutions Track. The subscription start dates must be within the specified Incentive Period. Cancelation of the subscription or of its part before the end of the committed term will result in clawback of Land, Expand, or Renewal Incentives, and/or Gold Integrator/Gold Provider partner Incentive.

Select SKUs in Collaboration Annuity subtrack are rewarded with variable Base Incentive reflecting partner's Net MCV retention rate at the end of the Incentive Period. Net MCV retention rate is Cumulative MCV of participating SKUs at the end of the Incentive Period compared with Cumulative MCV of participating SKUs at the beginning of the Incentive Period, calculated on the same base of subscriptions (including renewals, downsells, and upsells, but not including net new subscriptions). Weighted Net MCV retention rate to targeted 104 percent retention equal or below 75 percent provides 0 percent Base Incentive. Weighted Net MCV retention rate equal or above 150 percent provides 4 percent Base Incentive. Weighted Net MCV retention rate between 75 percent and 150 percent is rewarded with 1 percent to 4 percent Base Incentive.

For a complete list of SKUs eligible for the Incentive and the payout rates, reference the eligible SKUs list at http://www.cisco.com/go/vipskus. The SKUs list and rates will be updated throughout the Incentive Period and any changes to SKUs or rates will be posted monthly.

To see the bookings and shipments for the eligible SKUs, and MCV, TCV of eligible subscriptions go to http://pxp.cisco.com/. Cumulative MCV of participating SKUs in the variable Base Incentive at the beginning of the Incentive Period, actual Cumulative MCV, and Net MCV retention rate will be reported to participating partners monthly via email.

Incremental incentives

- **Gold Integrator/Gold Provider Partner Incentive**: Cisco will offer qualifying Gold Integrator partners and/or qualifying Global Gold Integrator partners and/or qualifying Gold Provider partners an additional 1 percent incentive on the:

- 4 percent rebate category SKUs for the Enterprise Networks subtrack
- 5 percent rebate category SKUs for the Security subtrack
- 4 percent and 6 percent rebate category SKUs for the Data Center subtrack
- 4 percent rebate category SKUs for the Collaboration subtrack
- 4 percent and 6 percent rebate category SKUs for the Meraki subtrack
- 1 percent and 3 percent rebate category SKUs for the Full Stack Observability subtrack
- 5 percent and 7 percent rebate category SKUs for the Hybrid Work from Office subtrack
- Select 5 percent, 6 percent and 7 percent rebate category SKUs for the Security Solutions subtrack
- 4 percent, 5 percent and 6 percent rebate category SKUs for the Hybrid Cloud Computing subtrack
- 6 percent, 7 percent, and 10 percent rebate category SKUs for the Hybrid Cloud Networking subtrack
- 6 percent rebate category SKUs for the Hybrid Cloud Software subtrack

based on net shipments and net growth in TCV of the eligible SKUs from both title-held and title-transferred for resale and cloud and managed services orders during the Incentive Period specified in Table 1. The subscription start date must be within the specified Incentive Period. For details, reference the VIP Selling Guide at http://www.cisco.com/go/vip.

Partners must be a Gold Integrator and/or Global Gold Integrator and/or Gold Provider upon enrollment and maintain the role for the entire Incentive Period to qualify for the Gold Integrator/Gold Provider incentive.

- **Master Specialized/Cisco Powered Partner Incentive:** Cisco will offer qualifying Master-level specialized and/or qualifying Provider role partners with specific Cisco Powered Services designation(s) an additional:
  - 1 percent incentive on the 4 percent rebate category SKUs for the Enterprise Networks subtrack
  - 1 percent incentive for the Collaboration subtrack
  - 1 percent incentive for the Security subtrack
  - 1 percent incentive on the 4 percent and 6 percent rebate category SKUs for the Data Center subtrack
  - 1 percent incentive on 2 percent rebate category SKUs for the Mass-Scale Infrastructure subtrack
  - 1 percent incentive on the 4 percent and 6 percent rebate category SKUs for the Meraki subtrack

  based on net shipments of the eligible SKUs from both title-held and title-transferred for resale and cloud and managed services orders during the Incentive Period specified in Table 1.

  Cisco will offer qualifying Master-level specialized and/or qualifying Provider role partners with specific Cisco Powered Services designation(s) an additional:
  - 1 percent incentive for the Enterprise Networks Annuity subtrack
  - 1 percent incentive for the Collaboration Annuity subtrack
  - 1 percent incentive for the Security Annuity subtrack
  - 1 percent incentive for the Data Center Annuity subtrack
  - 1 percent incentive for the Mass-Scale Infrastructure Annuity subtrack
  - 1 percent incentive for the Meraki Annuity subtrack

based on net growth in TCV of the eligible SKUs to Cisco placed on Cisco's Annuity platform in CCW within Incentive Period specified in Table 1. The subscription start date must be within the specified Incentive Period.

- The Master Specialized/Cisco Powered Partner Incentive is paid out for the *Enterprise Networks* and *Enterprise Networks Annuity subtracks* if the partner holds the Master Networking Specialization, and/or Provider role partner holds the Cisco SD-WAN Cisco Powered Services and/or Secure Access Cisco Powered Services Specialization.
- The Master Specialized/Cisco Powered Partner Incentive is paid out for the *Collaboration and Collaboration Annuity subtracks* if the partner holds the Master Collaboration Specialization, and/or Provider role partner holds the Webex Contact Center Cisco Powered Services and/or Cloud Calling Cisco Powered Services Specialization.
- The Master Specialized/Cisco Powered Partner Incentive is paid out for the *Security and Security Annuity subtracks* if the partner holds the Master Security Specialization, and/or Provider role partner holds the Cloud Managed Security Cisco Powered Services and/or Secure Access Services Edge (SASE) Cisco Powered Services Specialization and/or Managed Firewall Cisco Powered Services Specialization.
- The Master Specialized/Cisco Powered Partner Incentive is paid out for the *Data Center and Data Center Annuity subtracks* if the partner holds the Master Data Center and Hybrid Cloud Specialization, and/or Provider role partner holds the Hybrid Cloud Cisco Powered Services Specialization and/or Sovereign Cloud Cisco Powered Services Specialization.
- The Master Specialized Partner Incentive is paid out for the *Mass-Scale Infrastructure and the Mass-Scale Infrastructure Annuity subtracks* if the partner holds the Master Service Provider Technology Specialization.
- The Master Specialized/Cisco Powered Partner Incentive is paid out for the *Meraki* and *Meraki Annuity subtracks* if the partner holds the Meraki Security Cisco Powered Services and/or Meraki Intelligent Workspace Cisco Powered Services Specialization and/or Meraki SD-WAN Cisco Powered Services Specialization and/or Meraki Access Cisco Powered Services Specialization.

The partner must have a Master-level specialization and/or Cisco Powered Services Specialization upon enrollment and maintain it for the entire Incentive Period to qualify for the Master Specialized/Cisco Powered Partner Incentive in Enterprise Networks, Meraki, Collaboration, Security, Data Center, Mass-Scale Infrastructure, Enterprise Networks Annuity, Meraki Annuity, Collaboration Annuity, Security Annuity, Data Center Annuity, and Mass-Scale Infrastructure Annuity subtracks.

- **Land and Expand VIP Annuity Incentive:** Cisco will offer the Land and Expand incentives to qualifying partners for each VIP Annuity subtrack based on net growth in TCV of the eligible SKUs to Cisco placed on Cisco's Annuity platform in CCW. The subscription start date must be within the specified Incentive Period. The subscription must be incremental to the customer, either in the form of a new customer subscription or an increased value of the customer's current subscription. Cancelation of the subscription, in whole or in part, before the end of the committed term will result in clawback of Land and Expand VIP Annuity Incentive and Master Specialized/Cisco Powered Partner Incentive. For the payout rates, reference the eligible SKUs list at http://www.cisco.com/go/vipskus. The SKUs list and rates will be updated throughout the Incentive and any changes to SKUs or rates will be posted monthly.
- **Renewal VIP Annuity Incentive:** Cisco will offer the Renewal incentive to qualifying partners for each VIP Annuity subtrack based on TCV of renewed eligible subscriptions to Cisco placed on Cisco's Annuity platform in CCW. The subscription start date must be within the specified Incentive Period. Cancelation of the subscription, in whole or in part, before the end of the committed term will result in clawback of Renewal VIP Annuity incentive. Select SKUs in Collaboration Annuity subtrack do not offer Renewal bonus payout. For the payout rates, reference the eligible SKUs list at http://www.cisco.com/go/vipskus. The SKUs list and rates will be updated throughout the Incentive and any changes to SKUs or rates will be posted monthly.

Ongoing eligibility

To maintain access to this Incentive, the partner must continue to meet all eligibility requirements outlined in the VIP Incentive Rules. Cisco reserves the right to terminate the partner from participation in this Incentive Period and/or VIP, which requires the partner to forfeit any rebates indefinitely for the following reasons:

- Submission of false, misleading, or incomplete incentive information, including claims for sales made under the Incentive.
- Other fraud or abuse of this or other Cisco marketing, incentive, or sales programs.
- The distribution of products purchased from any source other than Cisco or a Cisco Authorized Distributor.
- The sale of Cisco products to anyone other than an end customer.
- Breach of the partner's Resale Agreement.

General incentive terms

Purchase eligibility rules

1. Cisco reserves the right to modify the list of eligible SKUs throughout the Incentive Period.
2. Products procured from Distributors may be purchased only from an authorized source or authorized channel (per partner's Resale Agreement) within the country or countries in which they are authorized.

Exclusions to VIP

1. Cisco reserves the right to refuse to extend this offer to deals that do not comply with the intent of the Incentive.
2. Orders in which the partner is acting as an original storage manufacturer (OSM) per their Cisco OSM contract will be excluded from VIP.
3. Orders are not eligible for incentive payments if (a) purchased for partner's internal use (Internal Business Use, Not For Resale (NFR)); (b) purchased with any outsourcer promotion; (c) comprised migrations (i.e. GPL, GRA subscriptions, Duo, OpenDNS renewals moving to Annuity); (d) ordered via any legacy-ordering platform from Cisco or a company acquired by Cisco; or (e) ordered as Consulting Partner Private Offer (CPPO) 1.0 at AWS Marketplace.

Partner obligations

1. The partner should not factor VIP incentives into bid price submissions. Partners who do so proceed at their sole risk since prematurely factoring VIP incentives into term contract pricing can lead to margin and/or profitability erosion. In such situations, Cisco cannot make the partner whole by modifying, waiving, or extending VIP eligibility or by offering any other form of a partner post-award relief that was not otherwise made available to all Cisco partners at the time of bid.
2. Partners purchasing from an authorized Source or an Authorized Channel shall ensure the sales data reported by such Authorized Source, or Authorized Channel to Cisco is correct. If sales transactions are ineligible due to incorrect data reported by Authorized Source or Authorized Channel 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).
3. Cisco relies on partner with respect to its legal ability to receive rebates under this incentive and assumes partner will make all disclosures required by law.

Compliance with laws and Cisco policies

1. Partner warrants to Cisco that it will act in compliance with the terms of its Resale Agreement and all of Cisco's policies. If partner fails to comply with any such terms, partner may not be eligible to receive rebate payments.
2. Partner is responsible for keeping its own sales information. Cisco will provide access to partner results through

Partner Experience Platform at http://pxp.cisco.com/.

3. By participating in VIP, partner consents, and will ensure other data subjects have given their unambiguous consent, to the processing of information about partner, its staff and end customers provided to or otherwise obtained by Cisco in connection with this Incentive:
   - in accordance with the Cisco privacy policy, as amended from time to time and located at http://www.cisco.com/web/siteassets/legal/privacy.html.
   - by Cisco, its affiliates, sub-contractors and agents from within and outside of the European Economic Area and those countries deemed to have adequate data protection laws.
4. Cisco will access, process and use data in connection with your participation in the Incentive and as provided by you as part of the Incentive in accordance with applicable privacy, data protection laws and the Data Briefs located in Cisco's Trust Center.

Partner Affiliates

1. Generally, the partner may not collect VIP for sales to its affiliates, but Cisco may make an exception as appropriate (i.e. if affiliate has collected multiple bids and is not in the IT industry). In the event that Cisco believes that a submitted end customer is an affiliate of the partner, but the partner disputes this belief, in addition to the rights of audit set out in partner's agreement with Cisco, Cisco will, just like for any other dispute, require:
   a. Additional POS and other information to be submitted including, without limitation, the following: (i) end customer purchase order; (ii) delivery order from partner to end customer; and (iii) invoice from partner to end customer. Prices can be masked in the reporting, if required. The delivery order must indicate the date, full end customer company name, and signature of the end customer, as well as the end customer stamp.

   b. At Cisco's discretion, Cisco or its auditors may conduct additional specific audits with the purpose of monitoring and ensuring compliance by the partner with the terms of this Incentive. Upon reasonable notice by Cisco, the partner will give Cisco or its auditors prompt access to relevant records and premises (including procuring access to end customer premises) during normal business hours. Upon Cisco's request, the partner must procure consent from the end customer for Cisco to access and inspect end customer's sites for the purposes of audit and to verify the products that are the subject of the VIP claim.
2. Where the partner does not comply with these affiliate clauses and/or Cisco determines that the end customer is an affiliate, is a Cisco partner, or the intended use is otherwise not within the permitted scope of this Incentive, Cisco reserves the right to reject the claim(s), in which case no payment will be made for any purchase order(s) for that affiliate/end customer.

Incentive payment

1. Payments are based on meeting full payout criteria.
2. Payments must be earned independently for each subtrack.
3. The partner must meet the minimum payment amount of $500 USD to qualify for payment. At Cisco's discretion, payment of less than $500 USD can be carried over to the next payment cycle, if available, until the minimum threshold for payment is met, but not to exceed one VIP Period.
4. Cisco reserves the right to request additional information to verify that claimed transactions are VIP eligible. Cisco shall make the final determination on whether a transaction is allowable under VIP.
5. Actual payment is based on specific VIP Period bookings that shipped in the time defined within the VIP Incentive Rules. Shipment deadlines may be extended at Cisco's discretion if the ship request date falls within defined period of time, and Cisco is unable to deliver the Product prior to the shipment deadline identified in this document.
6. Partners electing to acquire VIP-eligible Cisco Products using financing (meaning any financing provided by

Cisco Capital, Castle Pines Capital, Wells Fargo Capital Finance, etc.) may have their VIP payout for such orders negatively affected. The partner payout in such cases could be decreased.

Payment discrepancies

1. The partner is responsible for identifying and reporting to Cisco any discrepancies between Cisco published bookings and their own records. The reporting deadline for any bookings discrepancy cases is one month from the final bookings date, but no later than August 30, 2024. If any additional supporting documentation is requested as part of the case processing, the partner must supply it within 90 days after the bookings discrepancy deadline. If the partner fails to meet this timeline, partner's discrepancy claim will be automatically rejected.
2. Payment discrepancies must be reported within three weeks after receipt of the first payment notification of each payment. If no payment notification is received, payment discrepancies must be reported within 90 days after the first group of second payment run notifications were sent to the partners.
3. If the partner doesn't maintain the required specialization and/or role throughout the Incentive Period, and therefore will not qualify for the VIP payout in a specific subtrack, deletion of such VIP enrollment can be requested. Upon deletion, Cisco will automatically enroll the partner to the subtrack on the day after the date that the enrollment prerequisites are met again, as long as the partner is still enrolled in the CPIA. The minimum bookings calculation begins on the new subtrack enrollment date. The minimum bookings targets remain the same, regardless the date of enrollment. The request for the deletion of existing VIP enrollment has to be submitted before the end of the Incentive Period.
4. Bookings, payment discrepancy cases, and enrollment deletion requests have to be submitted using the Customer Service Hub (CSH). Discrepancies reported via email, not using CSH, will not be considered.
5. The partner should refer to Partner Experience Platform at http://pxp.cisco.com/ for their official bookings status and Program Management and Application at http://www.cisco.com/go/pma for their official Specialization status.
6. Information obtained from Cisco personnel other than the Cisco VIP team (i.e., Partner Account Managers) will not take precedence over the information in VIP Incentive Rules and Partner Experience Platform and will not be honored in any disputes.
7. Cisco uses its best efforts to ensure the partner is paid in a timely fashion; however, at times, such payments are delayed for reasons beyond Cisco's control. Further, if Cisco is not at fault for the delay, such payments will expire and be forfeited if not claimed by the partner in a timely fashion.

Other payment information

1. For information related to Payment Expiration, Indirect Tax, Partner Location for Payment, Beneficiary, Banking and Payment Contact, refer to Attachment A, Program Payment Terms, of the Channel Program Incentive Agreement at https://www.cisco.com/c/dam/en_us/partners/incentives_and_promotions/channel-program-incentive-agreement-terms-and-conditions.pdf.

Type 5 Countries

1. Type5 country payments may be made in local currency and require the entity making the payment to either have a local payment presence in the country or be the entity in which the partner/distributor has the direct contractual relationship. More information about Type5 countries.
2. Global EasyPay is not enabled for Type5 countries which are paid directly from Cisco Accounts Payable.

Other Channel Incentives

1. For Cisco Provider role transactions, all rebates will be paid to the host partner enrolled in VIP. The agent partner is not eligible for VIP rebates on Provider role transactions.
2. The Global Partner Network (GPN) five-step process and deal management framework does not alter VIP eligibility rules.
3. To receive payments under the Incentive, the partner must be in good standing with the Cisco Partner Program. In particular, incentive payments will not be paid out if, and for as long as, the partner or any of its affiliates owes money to Cisco or its affiliates, other than in the ordinary course of Cisco's standard 30-day payment terms (or any other payment terms agreed in writing with Cisco or its affiliates). In which case Cisco reserves the right to set off any amount due under the Incentive against unpaid invoices and immediately suspend the partner or its affiliates' entitlement to receive incentive payments under the Incentive until all outstanding amounts have been irrevocably paid in full by the partner or its affiliates. If the partner has been delinquent with Cisco or its affiliates for a period of at least one (1) year, the partner will forfeit any outstanding payments due under this Incentive.
4. Sales that are eligible for a payment under Cisco VIP are not eligible for any other Cisco back-end payment incentives unless otherwise stated by Cisco.

General

1. The partner is free to determine its minimum resale prices unilaterally. This Incentive is not a commitment or a guarantee that the partner will increase margins and profitability.
2. VIP incentives are not paid on Services.
3. Cisco reserves the right to modify or cancel the Incentive at its discretion without prior notice to the partner.
4. For all other applicable VIP procedures and requirements specific to their area of participation and geography, the partner should refer to the VIP website at http://www.cisco.com/go/vip.

Other rules

1. The rules described in scenarios 1-4 below apply to all subtracks:
    - First scenario: Partner XYZ in country group A is enrolled in VIP. XYZ books VIP SKUs in country group A and sells to country group B, where XYZ is also enrolled. XYZ gets VIP credit toward their VIP bookings in country group B.
    - Second scenario: Partner XYZ in country group A is enrolled in VIP. XYZ books VIP SKUs in country group A and sells to country group B, where XYZ has a legal entity but is not enrolled in VIP. XYZ does not get VIP credit in country group A or B.
    - Third scenario: Partner XYZ in country group A is enrolled in VIP. XYZ books VIP SKUs in country group A and sells to country group B, where XYZ does not have a legal entity. XYZ does not get VIP credit in country group A or B.
    - Fourth scenario: Partner XYZ in country group A is not enrolled in VIP. XYZ books VIP SKUs in country group A and sells to country group B, where XYZ is enrolled. Partner XYZ gets VIP credit toward their VIP bookings in country group B.

Global Customer Support Process (GCSP)

The table below defines the Incentive treatment of GCSP bookings based on the partner status in both the host and landed countries. All standard VIP 42rules apply. For information about GCSP, go to GCSP sharepoint site.

Host country and the landed country are defined as follows:

Host country	Landed country
Refers to: • The GCSP Customer's headquarter country • The GCSP partner-customer relationship originates in the host country. **Example:** If a GCSP Customer is headquartered in the United States and purchases Cisco products and services from an approved United States GCSP partner who supports the customer globally, then: • The United States is the "host country". • The United States GCSP partner is the GCSP host country partner. (The GCSP partner-customer relationship originates in the host country.)	**Refers to:** • Any country (other than the host country) where the customer has site locations and uses Cisco products and services. **Example:** If the GCSP customer purchases Cisco products and services for their site in the United Kingdom, then, the United Kingdom will be considered the "landed country".

Host country: Partner enrolled in VIP and eligible for VIP payout	
Landed country	**VIP treatment of GCSP bookings**
Partner is registered with Cisco (has a BE GEO ID) in the Landed Country.	• VIP paid to landed country on GCSP bookings. • Based on host country subtrack(s) payment eligibility and credentials (for Master, Gold Integrator/Gold Provider bonuses...). • Bookings recognized against the minimum bookings threshold of the host country partner.
Partner is NOT registered with Cisco (no BE GEO ID) in the Landed Country.	• VIP paid to host country on GCSP bookings • Based on host country subtrack(s) payment eligibility and credentials (for Master, Gold Integrator/Gold Provider bonuses...) . • Bookings recognized against the minimum bookings threshold of the host country partner. • NOTE: If the partner registers with Cisco in the landed country (receives a BE GEO ID), future sales would be paid according to previous example.
Host country: Partner is not enrolled, or not eligible for VIP payout	
Landed country	**VIP treatment of GCSP bookings**
Partner is registered with Cisco (has a BE GEO ID) or is not registered with Cisco (no BE GEO ID).	• No VIP paid to either country. • If host country partner is enrolled in VIP, GCSP bookings are recognized against the min bookings threshold of the host country partner. However, if host partner is not eligible for VIP payout, no VIP payment is done to either host or landed country partner.

2. For any issues, open a support case using the Customer Service Hub (CSH), reference the VIP Operations Guide for additional information on opening a support case.

3. For issues related to wire transfer of VIP funds, open a case by sending email to globaleasypay@cisco-programs.com.

Theater-specific terms and conditions

For Partners operating in the Americas markets:

All Canadian payments under this incentive are exclusive of any taxes, fees, and duties or other amounts, however designated, and including, without limitation, Harmonized Sales Tax (HST), Goods and Services Tax (GST), Provincial Sales Tax (PST), and value added and withholding taxes that are levied or based upon such payments or the prices paid for products or services, or upon this incentive.

VIP shall be extended to qualified channel partners on a nonnegotiable basis and shall be in compliance with the Competition Act of Canada.

Any Canadian rebates or other incentives under VIP are nontransferable and/or assignable.

In deals where the End User is the U.S. government, if a partner is awarded a Hunting Incentive or Teaming Incentive, that partner may receive VIP on the Deal. Any other partner is not eligible for VIP on that Deal. This is to compensate the partner holding the Hunting Incentive or Teaming Incentive for the effort that partner has put into the pre-sales process.

If a partner has a Hunting Incentive or Teaming Incentive where the end user is the US Government, they are the only one that will be eligible to earn the VIP for that deal.

For Partners operating in the Asia Pacific and Japan (APJ), and Greater China (GC) markets:

With the exception of Australian and Japanese partners, all payment amounts that the partners are entitled to are inclusive of indirect (e.g., Consumption Tax) and similar taxes. Payments to Australian and Japanese partners are exclusive of indirect (e.g. VAT, GST, consumption tax) 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. Australian and Japanese partners will be required to submit an Australian Dollar and Japanese Yen invoice respectively to Cisco before payment is initiated. Japanese partners will be required to provide a hard copy invoice before payment is initiated when claiming payment in U.S. Dollars or after receiving payment when claiming payment in Japanese Yen.

The payments for both Direct Orders and Indirect Orders will be paid to qualifying Cisco Systems Integrators or qualifying partners by bank transfer. Partners must agree to the calculated payment amount and add Consumption Tax with the Global EasyPay Tool in order for Cisco to start the payment process.

a) Partners are able to select the currency type of payment when they receive email notification from Global EasyPay.

b) If the partner selects Japanese Yen Currency for the payment, the foreign exchange rate on the payment date will be used.

c) If the partner receives payment from Cisco by bank transfer for the first time, they need to register banking information in the Global EasyPay tool.

Cisco Systems outsources the payment tasks to Vistex, Inc. Cisco respects its partners' privacy and is committed to protecting the personal information that partners share with us. Cisco may use partners' personal information that is entered in the VIP tool for the enrollment/administration of this incentive to keep partners up to date on the latest information regarding this incentive. Cisco acknowledges partners' agreement with our privacy statement upon enrollment in the incentive. The Cisco Privacy Statement, at http://www.cisco.com/japanese/warp/public/3/jp/privacy.shtml, describes how Cisco collects and uses partners' personal information.

For Partners operating in the People's Republic of China ("PRC")

Incentive terms

1. Incentives are provided in the form of a discount on future purchase order(s).
2. The amount of the incentive applied will be limited to a maximum of 30% of the next purchase order's value. Cisco reserves the right to amend this maximum limit when appropriate. Remaining incentives that the partner is entitled to will be carried forward to subsequent purchase orders.
3. VIP incentives must be used for future product orders only and cannot be used for services.
4. Direct partners can apply the incentive only for direct purchases with Cisco. Indirect partners can apply the incentive only for purchases ordered through Cisco Authorized Distributors. Incentives earned in China must be used in China only.
5. Partners have a limited time to apply the incentive against their future orders. Incentives are bound by an expiration policy of 180 calendar days from the date of first notification from Cisco about the availability of the incentive. The same expiration policy applies regardless of any mergers or acquisitions.
6. If a transaction is considered outside of the recognition of Cisco China Company, Limited (思科(中国)有限公司) and Cisco (China) Innovation Technology Co., Ltd (思科（中国）创新科技有限公司), incentives for such transaction will be provided in accordance with Cisco's usual VIP rules for the applicable Cisco entity.
7. Incentive discrepancy cases MUST be opened via https://www.cisco.com/cisco/psn/web/workspace or by sending an email to csg-cn@cisco.com. Discrepancies reported in any other manner will NOT be considered.
8. For issues related to VIP credit against the next purchase in the Inventive Hub, open a case by sending email to gcih@cisco.com.

Definitions

If a capitalized term is not defined in the VIP Incentive Rules, it shall have the meaning ascribed to it in the Resale Agreement. In the event of a conflict between the Resale Agreement and these VIP Incentive Rules, these VIP Incentive Rules will control as it relates to the subject matter set forth herein.

Affiliate: Any corporate, firm, partnership, or other entity that directly or indirectly controls, or is controlled by, or is under common control with the partner.

Allocated model: The net booking for a SKU is split between the technologies integrated into the SKU. Listing for eligible SKUs, the allocation percentages, and the rebate percentage are posted at http://www.cisco.com/go/vipskus.

Cisco booked: Order which has been entered into Cisco' ordering system, has passed the initial hold/credit check, and complies with Cisco's internal booking acceptance policy.

Cisco Capital®: Cisco entity that provides financing to Cisco partners and end customers for the purpose of enabling sales and business development. Cisco Capital's website is located at http://www.cisco.com/web/ordering/ciscocapital/index.html.

Country group: A Cisco-identified group of countries within a region/geo/theater, where a partner is able to operate within each country in the country group.

Direct order: Order placed directly with Cisco.

End customer: Final purchaser or licensee that (i) has acquired product and/or services for its own internal use and not for resale, remarketing, or distribution, and (ii) is identified as such purchaser or licensee by Reseller.

GPL: The Cisco Global Price List as published at Cisco.com.

GPN: Cisco's Global Partner Network Program.

Internal use: Any business use of a product for an end customer's or partner's own internal use.

Net bookings: Bookings less any bookings cancellations, credits and purchase adjustments.

Net shipments: Bookings which have shipped less any returns of products.

Partner: Reseller registered with Cisco that purchases and/or licenses products, services from an Authorized Source, or Authorized Channel, and resells such products and services directly to end customers.

Products: Cisco hardware products, software, and related documentation, as defined in partner's resale agreement and as listed in the then current GPL.

Resale agreement: The Cisco Indirect Channel Partner Agreement (ICPA), the Cisco Systems Integrator Agreement (SIA), or another similar Cisco agreement that authorizes the resale of Cisco products and services to end customers.

Territory: The Americas; Europe, the Middle East, and Africa (EMEA); the Asia Pacific and Japan (APJ); and Greater China (GC).

Americas Headquarters
San Jose, CA

Asia Pacific Headquarters
Singapore

Europe Headquarters
Amsterdam, The Netherlands

Cisco has approximately 400 offices worldwide. Addresses, phone numbers, and fax numbers are listed on the Cisco Website at **www.cisco.com/go/offices.**