

# VMWARE CUSTOMER PURCHASING PROGRAM

## General Information

**Q. What is the VMware Customer Purchasing Program?**

A. The VMware Customer Purchasing Program™ is an end customer purchasing program that rewards our customers and helps maximize their investment in VMware software.

**Q. When will the Customer Purchasing Program become available to customers to purchase VMware products?**

A. The Customer Purchasing Program will launch on May 6, 2019.

**Q. Does the Customer Purchasing Program require a customer to enroll to participate?**

A. No, enrollment is not required.

**Q. Is there a separate Customer Purchasing Program for public sector customers?**

A. No, VMware will launch one Customer Purchasing Program with clear and globally consistent program rules for all VMware customers with the exception of U.S. federal customers, who will continue to receive volume discounts using their current program.

**Q. What happens to customers who hold an active membership under the old VPP?**

A. All former Volume Purchasing Program (VPP) customers have the option to continue to use the VPP and accumulate points until May 5, 2019. Starting on May 6, 2019, all former VPP customers' current point accumulation will be frozen, and the points roll-off will continue while they still have the option to use the VPP. The new Customer Purchasing Program will be the only option for all VPP L1 to L3 customers starting on February 1, 2020 and for all VPP L4 customers starting on February 1, 2021.

**Q. When can a PO be submitted using the new Customer Purchasing Program?**

A. The first day that POs can be submitted under the new Customer Purchasing Program is May 6, 2019.

**Q. What are the key differences between the old VPP and the new Customer Purchasing Program?**

A. The new Customer Purchasing Program does not require enrollment and allows end customers to automatically earn discounts based on each purchase volume. Table 1 summarizes the key differences.

**Table 1. Key Purchasing Program Differences**

	VOLUME PURCHASING PROGRAM	CUSTOMER PURCHASING PROGRAM
Enrollment	Required	Not required
Accumulation of points	Points accumulate over eight quarters with quarterly roll-off	None
Discount tier	Based on accumulated purchases over eight quarters	Based on current transaction value
Number of discount bands	Four	Three
Discount percent	Does not align with the Transactional Purchasing Program (TPP), the federal version of VPP	Align with L1 to L3 TPP (1% increase from VPP)
Affiliates	Share parent discount	No sharing on discounts
Online tool	Points configurator, membership lookup, points portal, enrollment portal	Points configurator

**Q. When will the new configurator be available?**

A. The first day that the new configurator can be used is May 6, 2019.

**Q. What are the requirements to participate in the Customer Purchasing Program?**

A. No membership is required to participate in the Customer Purchasing Program. All VMware customers are eligible to participate in the program. However, discounts are earned and applied only to purchases of eligible Customer Purchasing Program SKUs through an authorized dealer. U.S. federal customers will continue to receive volume discounts using their current program. Academic customers who purchase academic SKUs are not eligible to participate in the Customer Purchasing Program.

**Q. Are U.S. federal customers eligible to participate in the Customer Purchasing Program?**

A. U.S. federal customers may receive volume discounts using their current program.

**Q. Can academic customers participate in the Customer Purchasing Program?**

A. Academic customers who purchase academic SKUs are not eligible to participate in the Customer Purchasing Program.

**Q. Are OEMs eligible to participate in the Customer Purchasing Program?**

A. No, OEMs are not eligible to participate in the Customer Purchasing Program.

**Q. What products can earn Customer Purchasing Program points?**

A. Most VMware license and Support and Subscription (SnS) products, except renewals, contribute to customer qualification in the Customer Purchasing Program.

**Q. Are SnS products eligible for Customer Purchasing Program discounts?**

A. No, only license products are eligible for Customer Purchasing Program discounts. SnS products count toward customer qualification in the Customer Purchasing Program.

**Q. Are Acceleration Kits eligible for Customer Purchasing Program discounts?**

A. Acceleration Kits provide our customers with an out-of-the-box virtualization solution and are priced at a significant discount when compared to the a la carte prices of the products. As such, Acceleration Kits earn Customer Purchasing Program points but do not qualify for Customer Purchasing Program discounts.

**Q. Is there a minimum reorder size for subsequent orders?**

A. Yes. Customer Purchasing Program discount eligibility is determined on an order-by-order basis, and each order is at least 250 points to be eligible to receive discounts.

**Q. Can I combine VPP discount SKUs and Customer Purchasing Program discount SKUs on the same order?**

A. No, VPP discount SKUs and Customer Purchasing Program discount SKUs cannot be on the same order.

**Q. When do Customer Purchasing Program points roll off?**

A. Because there is no accumulation of points in the Customer Purchasing Program, there is no roll-off of points.

**Q. Can I quote the Customer Purchasing Program to an existing VPP customer?**

A. Yes.

**Q. Is a VPP membership number required for Customer Purchasing Program orders?**

A. No, a membership number is not required on Customer Purchasing Program orders because there is no enrollment in the Customer Purchasing Program.

**Q. Are Customer Purchasing Program discounts applicable for orders placed before the Customer Purchasing Program goes live?**

A. No, Customer Purchasing Program discounts come into effect only after the Customer Purchasing Program goes live.

**Q. Where can I find additional information about the Customer Purchasing Program?**

A. More information about the Customer Purchasing Program can be found at <http://www.vmware.com/go/cpp>.

### Affiliates

**Q. Can an organization's affiliates share Customer Purchasing Program discounts?**

A. No, affiliates can earn their own discounts based on their purchase volumes.

## Points and Discounts

### Q. What is a Customer Purchasing Program point?

A. VMware has established a point value for each eligible VMware product. One point is roughly equal to USD \$100. The point value of a given product is the same across all geographies and does not change based on the currency of the purchase. The point-to-dollar ratio may vary over time by SKU.

### Q. Do Customer Purchasing Program points accumulate?

A. No, points are calculated and discounts are applied on an order-by-order basis.

### Q. What are the Customer Purchasing Program discount tiers?

A. There are three Customer Purchasing Program discount tiers that range from 5-10 percent for qualifying orders based on transaction amount. For example, a customer placing an order with 250-599 total points is eligible for a 5 percent discount on license products.

Table 2. Discount Tiers

TIER	POINTS	DISCOUNT
1	250-599	5%
2	600-999	7%
3	1,000+	10%

### Q. What is the relationship between points and discounts?

A. The total point value for the combination of products and quantities on a customer's purchase order determines the eligible Customer Purchasing Program discount tier for that order. As the total increases, the eligible discount tier may also increase.

### Q. What is the basis for calculating Customer Purchasing Program discounts?

A. Discounts are calculated off VMware's published, then current, local MSRP prices. VMware MSRP prices can be found at <http://www.vmware.com>.

### Q. What happens if a Customer Purchasing Program member submits an initial order that is less than 250 points?

A. A Customer Purchasing Program customer who submits an order worth less than 250 points will not qualify for a Customer Purchasing Program discount.

### Q. Can my customer combine multiple orders (a split order) to qualify for a Customer Purchasing Program discount?

A. Yes, qualifying Customer Purchasing Program orders may be split into multiple orders. POs must be from single entities and cannot aggregate affiliate purchases. If a purchase is split into multiple orders that do not independently meet the minimum Customer Purchasing Program point threshold, customers can still qualify for a Customer Purchasing Program discount as long as the following requirements are met:

1. The first split order submitted to VMware must reference how many split orders will follow.
2. Each subsequent split order must include the first order's PO number in the comments field of the PO.
3. The orders must be placed by the same distributor and partner for the same customer.
4. The split orders must be dated and submitted to VMware within two weeks of the first order.

## Online Tools

### Q. What is the Customer Purchasing Program configurator?

A. The configurator is a tool that helps a user determine, in advance, the Customer Purchasing Program points associated with a given order and, if applicable, the corresponding discount. The configurator sums all points to determine the earned discount and the correct Customer Purchasing Program SKUs to use on a customer's PO.

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