

# Commitment-Based Contracting Program Guide



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## How to get Started

To enter into a Commitment Based Contract, please contact VMware Sales. Certain restrictions and conditions will apply. VMware Sales will be able to assist. Call 877-4-VMWARE (outside North America, +1-650-427-5000), visit [vmware.com/products](https://vmware.com/products).

## At-a-Glance

The Commitment Based Contract (“CBC”) provides customers with flexibility and a discounting structure aligned with customer’s consumption plans, allowing the customer to better plan their Cloud journey. This Program Guide is intended for customers to understand a broader view of the terms associated with a VMware Commitment-Based Contract.

## What is Commitment-Based Contracting?

CBC is a non-cancellable committed contract spend over a specified timeframe. Customer should be able to consume any eligible subscription offering for any life cycle event such as net new, add-on, or upgrade. All the spend will be tracked against the overall commitment and annual spend commitment. If customer’s spend commitment is exceeded, the value in excess of the spend commitment will apply to the following year’s spend commitment.

## CBC Features

Customers commit to spend or consume a certain amount with VMware during an agreed-to period of time in exchange for receiving certain discounts. Each year of the CBC term will have an associated commitment. The sum of the annual commitments is what will be used to define the overall discounts offered to the customer.

The composition of the commitment is based on time and value. There is no commitment to consume a specific service or offering in order to receive those discounts. The customer’s consumption of Eligible Offerings will apply to the customer’s commitment.

## CBC Benefits

Customers are able to negotiate discounts in advance for VMware’s portfolio of offerings. The customer is able to receive discounting for a variety of offerings allowing customers to better budget and understand their cloud journey. These offerings range from legacy VMware Offerings to VMware’s industry leading new offerings. The customer will have the choice between making the CBC investment at the time of signing the contract, at the time of redemption, or even over time. As the customer grows within their cloud journey, subsequent commitments will be aligned with that growth as the Customer moves forward.

## How does CBC Work?

Customer and VMware will enter into an agreement whereby back-end redemption discounting is negotiated up-front for the Eligible Offerings customer wishes to consume over time against the commit contract. The CBC can either be paid up front as part of a larger agreement or at the time of redemption.

## Payment Options

Customer has two options to pay towards the commitment:

- [Prepay](#)

Customer can choose to prepay against the commitment at the time of signing the contract. If customer chooses to prepay, VMware will invoice customer's net commitment under the CBC.

- [Pay by Invoice / Post Pay / PurchasePay](#)

If customer prefers not to prepay the full commitment value of the CBC, customer can choose Pay by Invoice ("PBI") which is equivalent to Post Pay, PurchasePay. Under PBI VMware will invoice customer for their consumption of Eligible Offerings. The customer agrees that it may not refuse to pay VMware outstanding charges because the customer has not issued a purchase order to VMware.

## Annual Spend Commitments

Customer's total Eligible Orders for each year of the CBC Term must have a monetary value which is equal to or exceeds the applicable Annual Spend Commitment for that year of the CBC Term.

- If the monetary value of customer's Eligible Orders in a particular year of the Term exceeds the applicable Annual Spend Commitment, VMware will apply the Rate Card Discounts for those Eligible Orders. If customer places Eligible Orders that exceed the Annual Spend Commitment in any year of the CBC Term, the excess value of those Eligible Orders will be counted towards the Annual Spend Commitments of the subsequent year of the CBC Term.
- If the monetary value of Eligible Orders for any year of the CBC Term (including recurring or overage billings, whether or not invoiced by VMware in that year of the CBC Term) does not equal or exceed the Annual Spend Commitment for that particular year of the CBC Term, VMware will invoice customer the difference between the Annual Spend Commitment and the total of all Eligible Orders accepted by VMware in that year.

Any amounts payable by customer pursuant to the terms of the CBC must be paid by customer in accordance with the payment terms of customer's agreement.

## Eligible Offerings and futures

VMware may add or remove an offering from the catalog of Eligible Offerings, subject to VMware's right to modify or remove its Service Offerings pursuant to the VMware general terms and conditions. VMware may, but is not obligated to, during the term, advise customer in writing of additional cloud service

offerings which it will treat as an additional Eligible Offering and to which corresponding Discount Group will apply to that additional cloud service offering. Customer will also receive negotiated discounts on future Eligible Offerings as associated with the discount group.

### Application of Discounts.

VMware will apply Discounts to invoices for customer's Eligible Orders, for both committed subscription charges as well as to overage or recurring charges incurred during customer's CBC Term. The discounts may not be combined with any other discounts that customer may receive from VMware, either contractually or through any other promotions.

### Orders and Usage Rights

Customer may place Orders for Eligible Offerings directly with VMware during the CBC Term. Eligible Orders during the CBC Term will count towards the Annual Spend Commitments for the year in which the Eligible Order is accepted by VMware.

Orders placed prior to or after the CBC Term (including recurring billing for VMware cloud offerings pursuant to orders placed prior to the CBC Term, recurring billings for Eligible Offerings not incurred during the CBC Term or for recurring billings for VMware cloud services which become Eligible Offerings after the date the original order is placed), will not be eligible for Rate Card Discounts and will not reduce the Annual Spend Commitments.

### Applicable Terms.

Customer's use of each redeemed VMware cloud service offering is subject to the VMware general terms and conditions.

## Glossary

“CBC Term”	means the period commencing on the Discount Start Date and expiring on the Discount End Date, as stated in the customer’s agreement.
“Eligible Offerings”	means any of the VMware cloud service offerings identified per Table 1 & Table 2 below
“Eligible Orders”	means the Orders for Eligible Offerings placed customer, with VMware directly, during customer’s CBC Term.
“Order”	means the customer’s purchase order for Eligible Offerings made out to VMware, or a signed agreement between the customer and VMware which includes Eligible Offerings SKUs, and for which the customer pays the fees for that agreement to VMware directly.
“Discounts”	means the discounts identified in the customer’s agreement that indicate discounts that will be applied to the then current list price for each Eligible Offering in exchange for the customer’s commitment under this CBC program.
“Discount Group”	means the set of Eligible Offerings that will have the same discount rate offered by VMware to the customer.

Table 1 – VMCU Custom Skin Eligible Offerings

Group	Eligible Offerings
1	VMC on AWS IP/BW, EBS, Elastic vSAN, VMC Microsoft licensing
2	VMC on AWS, VMC on Outpost, VMW Cloud Disaster Recovery, VMW Site Recovery, NSX Advanced Security, VMware Ransomware, GCVE, VMware Cloud Flex Storage

Table 2 – Generic SPP Eligible Offerings

Group	Eligible Offerings
1	VMC on AWS IP/BW, EBS, Elastic vSAN, VMC Microsoft licensing
2	VMC on AWS, VMW Cloud Disaster Recovery, VMW Site Recovery, GCVE, NSX Advanced Security, VMware Cloud Flex Storage, VMC on AWS Outposts
3	VMware Learning Platform, Horizon Cloud with IaaS (per user only)
4	CloudHealth, vRealize (Network Insight, Automation, Operations, Log Insight, True Visibility, SaltStack) Cloud, WS ONE (per device and per user), Horizon Cloud Universal License (per user only), Carbon Black, Bitnami/Cloud Market Place, Tanzu (Marketplace, Wavefront/ Observability, Data Services, Service Mesh, Tanzu Kubernetes Platform, Developer App Platform), vRealize Cloud Universal, Avi Cloud Services, Antrea, NSX, VCF (SaaS & Sub)
5	Any Other

