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At a Glance

VMware® Purchasing Programs provide flexible and cost-effective options for purchasing VMware products and services. Whether you are making smaller, transactional purchases or larger, strategically planned purchases, there is a VMware Purchasing Program to fit your needs.

The Hybrid Purchasing Program (HPP) offers a flexible way to acquire both VMware Perpetual Licenses and VMware Subscription Services in the form of Hybrid Credits (HPP Credits). Credits are denominated in VMware transacting currencies and deposited as a Fund Balance within the My Funds page of My VMware®. You can redeem your Fund Balance for VMware Licenses, listed in the Enterprise Purchasing Program (EPP) Eligibility Matrix, and VMware Subscription Services, listed in the Subscription Purchasing Program (SPP) Eligibility Matrix. Unless otherwise negotiated in your agreement with VMware, you can redeem up to 10 percent of the MSRP value of your HPP Fund Balance for Subscription Services.

Program Features

- **Single credit, dual use**: HPP offers you the flexibility to redeem credits for both products and services.
- **Self-service dashboard**: Access My VMware to submit on-demand provisioning requests for Subscription Services and redemption requests for licenses.
- **Centralized or decentralized management**: Allocate Fund Balances to different departments, projects, or Fund Users.
- **Scale with ease**: Increase your HPP Fund Balance at any time to meet the changing needs of your organization.
- **Flexible spending**: Redeem HPP Credits to pay for new licenses and associated support and subscription (SnS), new Subscription Services, Add-ons for existing services, Subscription Service renewals, or recurring usage and subscription costs.
- **Price transparency**: Easily track the MSRP costs of product licenses, SnS, and Subscription Services against your currency-denominated Fund Balance.

Program Benefits

- **Simplified purchasing**: HPP combines the benefits of both the EPP and the SPP into a single transacting and consumption model.
- **Streamlined funding**: Redeem fund balances for product licenses and associated SnS, Subscription Services, and recurring subscription and usage costs—all without the requirement of procuring monthly purchase orders (POs).
- **Access to future services**: Redeem HPP Credits for any Subscription Service listed on the SPP Eligibility Matrix, including services released after your initial credit purchase.
- **Self-service reporting**: Track and manage your redemptions with self-service reports in My VMware.
- **SnS proration**: When you redeem HPP Credits for products, SnS is automatically added to the underlying licenses. SnS is prorated and co-termed to the end date of your agreement.

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1 Under HPP, no more than 10 percent of the MSRP Value of your HPP Credit purchase can be redeemed for Subscription Services unless otherwise negotiated in your agreement with VMware. This eligible percentage is specified at the time of sale and cannot be changed.

2 HPP Credits may only be redeemed for products and associated SnS made available at the time of HPP purchase.
How to Get Started
Before purchasing HPP Credits, you should:

- **Purchase HPP Credits**: Contact a VMware Offering Partner or Account Executive to place your initial order of HPP Credits.

After purchasing HPP Credits, you can:

- **Log in to My VMware**: Explore the HPP pages within My VMware to view and manage your HPP Fund Balance.
- **Redeem credits**: Visit the self-service My Funds page to redeem HPP Credits for new products, Subscription Services, and more.

For More Information
To find out more about the Hybrid Purchasing Program, visit http://www.vmware.com/go/hpp.

Eligibility restrictions apply to U.S. public sector end-user customers, including but not limited to state and local public sector customers. The Hybrid Purchasing Program is not available to U.S. federal end-user customers. Execution of an agreement to purchase HPP Credits by a U.S. public sector end-user customer constitutes certification that a subscription purchase and prepayment is allowed by applicable laws and regulations.

The HPP Guide located at http://www.vmware.com/go/hpp sets forth the terms and conditions of HPP. VMware reserves the right to modify this Program Guide at any time at its sole discretion, and any such modifications will apply to purchases of HPP Credits and HPP Fund Balances after the effective date of such modification.

Basic HPP Definitions
**Hybrid Credit (HPP Credit)**: A unit of value denominated in VMware-transacted local currencies that can be purchased by an HPP customer and redeemed for HPP Eligible Products and Services.

**Fund Owner**: An individual who has the authority to purchase, receive, and redeem HPP Credits in the My VMware portal. Fund Owners can allocate HPP Credits to any named Fund User and can also manage multiple HPP Funds.

**Fund User**: An individual designated by a Fund Owner as an authorized user of an HPP Fund Balance. Fund Users can redeem HPP Credits using the My VMware portal.

**Fund Balance**: Denominated in a VMware-transacted currency, a Fund Balance represents the amount you can redeem for HPP Eligible Products and Subscription Services. Each HPP purchase, unless otherwise negotiated, delivers two Fund Balances—one for redeeming HPP Eligible Products and another for

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1 USD, euros, GBP, yen, AUD, and local USD (where applicable).
HPP Eligible Subscription Services. A Fund Balance can consist of multiple HPP and/or SPP Credit purchases, each with its own expiration date based on the date of purchase.

**Initial allocation percentage:** Customers may use up to 10 percent\(^4\), or as stated in the ELA of the total HPP Fund Balance, for the redemption of Eligible HPP Services. Customers may use the remainder of the HPP Fund Balance for the redemption of Eligible HPP Products. Customers can change this allocation between Eligible HPP Products and Eligible HPP Services but can never change it in a way that allocates more of the original HPP Fund Balance to HPP Services than as set forth in this initial allocation. Any reallocation is subject to the exchange ratio stated in the customer’s ELA.

**Fund:** An online repository of an HPP customer’s purchased HPP Credits. Funds are denominated in VMware-transacted local currencies and represent MSRP value. Each HPP Credit purchase has an expiration date.

**Active HPP Fund and Fund Balances:** Each HPP Credit purchase has a specific term during which you must consume your Fund Balance. An HPP Fund that has not reached its expiration date is considered an active HPP Fund. A Fund Balance can consist of multiple active HPP Funds or a combination of HPP and SPP funds\(^5\), each with its own expiration date. HPP Fund Owners and Fund Users can simultaneously manage and redeem from multiple active Fund Balances. However, Fund Owners/Users cannot aggregate or co-mingle multiple active SPP Fund Balances to purchase a single Subscription Service.

**Expired HPP Fund and Fund Balances:** Each HPP Credit purchase has a specific term during which you must consume your Fund Balance. A Fund that has reached its expiration date is considered an expired HPP Fund. Once an HPP Fund has expired, you cannot redeem any remaining balance associated with it. A Fund Balance can consist of multiple HPP or SPP Credit purchases, each with its own expiration date. As individual HPP or SPP Funds expire, they are removed from the Fund Balance. Charges incurred after the fund expiration date cannot be paid using the expired HPP and/or SPP Fund. Fund Owners can download redemption reports for their expired HPP Funds.

**HPP Term:** Term is as stated in your negotiated agreement with VMware and starts from the date VMware makes the HPP Fund Balance available in My VMware. Any unused HPP Fund Balances at the end of the HPP Term will be forfeited. Customers are not entitled to a refund for any unused HPP Fund Balances. A Fund Balance can consist of multiple HPP Funds\(^6\) or a combination of SPP\(^7\) and HPP Fund Balances, each with its own expiration date. When individual funds expire, they are removed from the Fund Balance and can no longer be redeemed.

**HPP service term:** VMware Subscription Services have terms ranging from one month to three years. The start date of your service term is the day the service is provisioned by VMware, not the day you place an on-demand provisioning request for the Subscription Service. The service term can be less than, equal to, but never

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\(^4\) The initial allocation percentage is as stated in the negotiated agreement with VMware or a VMware authorized partner.

\(^5\) Fund Balances for services can be comprised of SPP and HPP purchases.

\(^6\) Driven by multiple SPP and/or HPP credit purchases.

\(^7\) For details on SPP, please see [http://www.vmware.com/go/spp](http://www.vmware.com/go/spp).
greater than the HPP Term. Redeemed Services cannot have a term that is longer
than the HPP Term. If a Redeemed Service has a term that is longer than the
remaining HPP Term, that term will automatically be reduced so that it co-terms
with the HPP Term.

Initial HPP Order: To participate in HPP, a Fund Owner must purchase HPP Credits in
what is known as the Initial HPP Order. To place the Initial HPP Order, you must use
the applicable HPP SKU. Purchased HPP credits are reflected in your My VMware
account as a Fund Balance denominated in a VMware-transacted local currency.

Top-Up order: A Fund Owner can increase their HPP Fund Balance by purchasing
additional HPP Credits. Additional HPP Credit purchases will always increase an
existing HPP Fund Balance if the Fund Owner, Entitlement Account number, and
transacting currency are the same. If any of the three criteria are different, the HPP
Credit order will result in the creation of a new Fund Balance.

Overage: If your HPP Fund Balance is insufficient to pay for ongoing Subscription
Services and/or products and associated SnS, you can incur an Overage. Within
30 days, or as stated in your ELA of incurring such Overage, you must purchase
additional HPP Credits to cover the overage amount. HPP purchases are first
applied toward any incurred overage and any excess over the overage is then
made available as a Fund Balance. Overages on Subscription Services can also
be paid by purchasing SPP Credits. SPP purchases are first applied toward any
incurred Subscription Service overage and any excess over the overage is made
available as a Fund Balance.

My VMware: My VMware is an integrated, account-based portal where you can
view and manage your VMware product licenses, VMware Subscription Services,
and VMware Purchasing Program participation. Use the My Funds dashboard in
My VMware to redeem HPP Credits through intuitive, step-by-step screens.

Service Identifier (SID): A unique identifier for a group of related Subscription
Services and Add-ons that expire on the same date. Grouping is accomplished by
purchasing Add-ons and assigning them to an existing SID. Grouping Add-on
purchases around an initial Subscription Service purchase allows you to combine
service components, obtain aggregated billing, and co-term-related items.

Billing date: The day of the month when you are billed for an SID or for your SPP
monthly commitment amount.

HPP Eligible Products: Customers can redeem the HPP Fund Balance only for
Products that are listed on the EPP Eligibility Matrix on the date VMware makes the
HPP Fund Balance available in My VMware. The EPP Eligibility Matrix is posted at
https://my.vmware.com/go/epp. No additional Products are made available after
that date. VMware reserves the right to designate Products as End of Life (EOL)
and subsequently remove them from the EPP Eligibility Matrix.

HPP Eligible Services: Customers can redeem the HPP Fund Balance for (i)
Services that are listed on the SPP Eligibility Matrix on the date VMware makes the
HPP Fund Balance available in My VMware and (ii) Services that are added to the
SPP Eligibility Matrix during the HPP Term. The SPP Eligibility Matrix is posted at
https://my.vmware.com/go/spp. VMware reserves the right to designate Services
as EOL and subsequently remove them from the SPP Eligibility Matrix.
Redeemed product, services: Products and Subscription Services purchased using your HPP Fund Balance.

Program Rules

Initial Purchase
HPP Fund Owners can obtain HPP Credits by submitting a purchase order to VMware with the applicable HPP Credit SKU. A single unit of the HPP Credit SKU represents a corresponding value that is based on the applicable price list for the purchase. For purchases off the U.S. price list, a single unit of the HPP Credit SKU represents $100 USD MSRP. Internationally, 1 Unit of the SKU represents 100 euros; GBP 100; AUD 100; 10,000 yen; and local market USD $100 (where applicable). All prices are MSRP. You can order the HPP Credit SKU in multiple quantities to accommodate your specific needs and budget.

Unless otherwise indicated in your agreement, each HPP purchase results in two Fund Balances delivered to your My VMware account—one balance for HPP Eligible Products and associated SnS and another for HPP Eligible Subscription Services. The initial allocation percentage is as stated in your agreement.

Discounts
You can receive discounts on your purchase of HPP Credits from VMware or a VMware authorized partner. Regardless of the purchase price of your SPP Credits, your Fund Balance will always reflect the MSRP value of your credits in VMware-transacted currencies. Additional discounts are available when HPP Credits are redeemed for a Subscription Service with a multi-year term or with a prepaid or annual billing type. These discounts are in the form of lower redemption values for the Subscription Service when compared to the same service with a 1-month term that is paid monthly. For example, the monthly cost of a Subscription Service with a 12-month term is usually lower than the monthly cost of the same service with a 1-month term. Similarly, the monthly cost of a 12-month service that is prepaid is usually less than the monthly cost of a 12-month service with a monthly billing type. No additional discounts are available when HPP credits are redeemed for Products and associated SnS.

Eligible Products, Services
Fund Owners/Users can redeem HPP Funds for a broad range of Eligible Products and Subscription Services. For a full list of VMware Products and Subscription Services eligible for HPP redemption, refer to the EPP and SPP Eligibility Matrices.

Customers can redeem the HPP Fund Balance only for Products that are listed on the EPP Eligibility Matrix on the date VMware makes the HPP Fund Balance available in My VMware. No additional Products are made available after that date. VMware reserves the right to designate Products as EOL and subsequently remove them from the EPP Eligibility Matrix.

During your HPP Term, VMware will continuously add to the list of eligible Subscription Services soon after new Services become generally available. To obtain these additional Services, you must redeem HPP Credits from active HPP Funds.

8 Discounts are calculated using VMware’s then-current, local MSRP prices. VMware does not set final prices or payment terms for products and services acquired through resellers. Final prices and payment terms are determined by agreement between the customer and its reseller.
Future additions to the list of eligible services will include:

• VMware Subscription Services that are made generally available and are included on VMware’s price list after the start of your HPP Term
• VMware Subscription Services that are listed in the SPP Redemption Configurator or Eligibility Matrix

Generally, services that are excluded from future eligibility for HPP redemption include:

• VMware Subscription Services that are subject to third-party restrictions that prohibit distribution in HPP
• Subscription Services released by a non-VMware entity or that VMware otherwise acquires by merger, acquisition, or asset purchase
• Subscription Services that VMware specifically identifies as being ineligible for HPP redemption
• Subscription Services excluded from HPP as required by law

Products and SnS Redemption
To redeem HPP Credits, a Fund Owner/User must log into My VMware, access the My Funds page, select the “Redeem for Products” button, and use the Configurator to choose the desired quantity of product licenses. Upon redemption for a Product, (i) Production Level SnS automatically attaches to that Product for the HPP Term and (ii) funds representing the SnS cost from the redemption date through the end of the HPP Term are debited from the HPP Fund Balance. The SnS period is determined from the redemption date to the end of the ELA term. Once the customer places a redemption order, the customer’s Fund Balance will be decremented by a value equal to that redemption.

After VMware processes the redemption, VMware will provide the customer with license keys, and support entitlement will be delivered to the customer’s My VMware entitlement account. The customer’s right to use each redeemed VMware product is subject to the terms of the End User License Agreement (EULA) accompanying each product, a copy of which is posted at http://www.vmware.com/download/eula, and all SnS obtained under HPP is subject to VMware’s SnS terms posted at https://www.vmware.com/support/policies.
Subscription Service Redemption

To redeem HPP Credits, a Fund Owner/User must log into My VMware, access the My Funds page, select the “Redeem for Services” button, and use the Configurator to choose Subscription Services and Add-ons. With the exception of prepaid services, you can redeem HPP Credits for Subscription Services even when your Fund Balance does not cover the full term of the service. When your Fund Balance is insufficient to pay for a redeemed Subscription Service, you are required to purchase additional SPP or HPP Credits within 30 days or as per the terms of your agreement. After you place an on-demand provisioning request, your Fund Balance will decrease by an amount equal to the redemption value. The following table summarizes how HPP Credits are debited from your Fund Balance depending on the billing type selected.

<table>
<thead>
<tr>
<th>SERVICE TERM</th>
<th>BILLING TYPE</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monthly</td>
<td>Annually</td>
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<td>1 Month</td>
<td>Charged Monthly</td>
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<td>24 Months</td>
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<td>Charged Annually</td>
</tr>
<tr>
<td>36 Months</td>
<td>Charged Monthly</td>
<td>Charged Annually</td>
</tr>
</tbody>
</table>

When you redeem HPP Credits for a Subscription Service with a recurring billing type, you are obligated to maintain a sufficient Fund Balance to cover the recurring charges for that service.

Example: If a customer redeems HPP Credits for a Subscription Service with a 24-month term and a monthly billing type, the monthly value of the Subscription Service will be debited from the Fund Balance at the time of redemption and then each month thereafter. If the same Subscription Service is purchased with an annual billing type, then the annual cost of the service will be debited from the Fund Balance at the time of redemption and then annually thereafter. If the prepaid billing type is selected, the entire value of the Subscription Service will be debited from the Fund Balance at the time of redemption.

Subscription Service Provisioning

Once you submit an on-demand provisioning request, VMware will provision the Subscription Service in accordance with the terms of service (TOS) posted at http://www.vmware.com/download/eula. The Service Start date is based on the day the service is provisioned and not the day you submit your on-demand provisioning request. Your right to use each redeemed VMware Subscription Service is subject to the TOS.

* Billing type refers to how fund balances are decremented against their purchased HPP Credit balances.
Subscription Service Add-ons
You can redeem HPP Credits for the Subscription Service Add-ons listed in the SPP Eligibility Matrix, either as part of the initial provisioning of a service (submitted with an on-demand provisioning request) or after the service has been provisioned. Add-ons are always co-termed to the SID with which they are associated. Add-ons will only consume HPP Credits if the associated SID was purchased by redeeming from an HPP or SPP Fund. The cost of Add-ons is debited from your Fund Balance based on the table outlined in the section titled Subscription Service Redemption.

Example: A customer purchases a 12-month Subscription Service Add-on with a monthly billing type and recurring cost of USD $100 (MSRP) per month. This Add-on is purchased on October 15 and is grouped with a 12-month Subscription Service that has a monthly billing type. The next billing date for the SID falls on November 1. At the time of redemption, the customer’s Fund Balance is charged a prorated amount of USD $59.18 (MSRP) for October 15 through November 1. This represents an annual cost of $1,200 divided by 365 and then multiplied by 18 days.

Subscription Service Co-term
Under HPP, the service term cannot be greater than the term of fund from where the cost will be debited. In the event you redeem a service whose term is greater than such a fund, the service will automatically be co-termed to that fund’s expiration date. The cost of the service will also be adjusted to match the co-term. For example, if you redeem a 12-month service but only have 5.5 months left on the HPP fund, the service term will also match 5.5 months. You will also only be charged for 5.5 months based on the billing type selected. The prorated amount will be applied on the last month instead of the first month of the service in the case of a monthly billing type. Using the same example as above, you will see the prorated cost of 0.5 months on the last bill. This proration of the service term can happen when you redeem a new service, add on to an existing service, or renew a service. The following scenarios are examples of where a service co-term can occur:

• New Service Term of 12 months but HPP term is less than 12 months
• Existing service with a term of 36 months that started as a PO or SPP purchase and is now being paid for by HPP, whose term is less than 36 months
• Service that was a 12-month term, was co-termed to 5 months and when it renews, it renews for 12 months
• Service started with a 24-month term with SPP, got co-termed to 22 months as a result of an Add-on paid for by HPP, and then renewed for the original term of 24 months

Contact hpp@vmware.com for additional details.

Terms of Service
Your use of each redeemed VMware Subscription Service is subject to the TOS for that particular service. Visit http://www.vmware.com/download/eula to access the TOS.

The SPP fund must be part of the same fund balance for an SID to consume HPP and SPP.
Subscription Services Billing

HPP customers are not required to submit monthly POs to cover new Subscription Service provisioning requests, Add-ons, renewals, monthly recurring bills, or usage. At the time of redemption, the value of the Subscription Service is automatically debited from your available Fund Balance based on the billing type selected (monthly, annually, or prepaid). Monthly and annual recurring charges are debited from your Fund Balance in advance. Any metered usage components are debited from your Fund Balance in arrears.

You are required to maintain a Fund Balance that is sufficient to cover the recurring costs of your redeemed services. Customers in good standing may carry a negative Fund Balance for a period no greater than 30 days or per the terms of your agreement beyond the billing date when the Fund Balance became negative. This is to ensure that there is no disruption in service while customers work on submitting POs for additional HPP Credits. Carrying an insufficient or negative Fund Balance for a period greater than 30 days can result in VMware initiating the termination of services. For more information, refer to the TOS posted at http://www.vmware.com/download/eula.

Monthly or Annually Recurring Billing

If you select a recurring billing type (monthly or annually) during redemption, VMware will automatically debit HPP Credits from your Fund Balance to cover the recurring costs of your Subscription Service. Monthly and annually recurring charges are debited from your Fund Balance in advance. Any metered usage components are debited from the Fund Balance in arrears. Services are billed per SID on the billing date of that SID. The billing event, or invoice payment, represents a debit from your HPP Fund Balance and does not require a PO. You may have multiple SIDs, each with its own billing date. The only time you must issue a new PO is when you purchase additional SPP Credits.

Example: A customer initiates a Subscription Service with a monthly cost of USD $1,000 (MSRP) billed monthly. The billing date of this service is November 1. On October 15, the customer redeems a 12-month Add-on with a monthly billing type and a cost of USD $100 (MSRP) per month. As outlined in the section titled Subscription Service Add-ons, the customer’s Fund Balance would decrease by USD $59.18 (MSRP) upon redemption. In this example, however, the service is not provisioned until October 20. On the billing date of November 1, the customer’s Fund Balance would be decreased by the following amounts in USD (MSRP) for the period of November 1–30:

1. $1,000 for the Subscription Service monthly cost
2. $100 for the Add-on
3. $16.44 as a credit11 for the Add-on because provisioning occurred on October 20

At the time of redemption, USD $59.18 (MSRP) in prorated charges were debited from the customer’s Fund Balance to cover 18 days of service, but only $42.74 should have been debited due to provisioning delays. The customer received a credit as a result.

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11 The credit is the difference between a full credit of the originally debited amount and a new debit of the cost based on the actual provisioning date.
Subscription Service Renewals

You can also use your Fund Balance to renew existing VMware Subscription Services that were redeemed using that HPP Fund. Three renewal methods are available under HPP: auto-renew, self-service renewal, and manual PO-based renewal. All SIDs you acquire using your Fund Balance are set to automatically renew by default. To update your renewal method or terminate an existing SID renewal, access the Subscription Services pages within My VMware.

For manual PO-based renewals, you must submit your PO 30 days before the renewal date. For self-service renewals, you may modify your renewal configuration as early as 90 days and no later than 15 days before your renewal date. Unless modified, each SID will automatically renew using your current configuration, term length, and billing type (monthly, annually, or prepaid). You can make multiple changes to your renewal configurations within the above mentioned modification windows. VMware will process the last saved configuration on the renewal date. Self-service modifications include adding or reducing capacity but exclude changing the currency, selecting a new Partner, or switching the payment method from HPP Credits to monthly POs. For more details, view the sections titled Changing Currency and Changing Payment Method.

Roles and Responsibilities

<table>
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<tr>
<th>RESPONSIBILITY</th>
<th>FUND OWNER</th>
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<td>Redemption Limit</td>
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Fund Balance Management in My VMware

HPP Fund Owners/Users can log into My VMware to access the My Funds dashboard page. From the dashboard, you can view your HPP Fund Balance and redeem HPP Credits for VMware Products and Subscription Services and set redemption limits.

Transferring Credits

Unless otherwise indicated in your agreement, each HPP purchase results in two Fund Balances delivered to your My VMware account—one balance for HPP Eligible Products and associated SnS and another for HPP Eligible Subscription Services. The initial allocation percentage is as stated in your agreement. Customers can change this allocation between Eligible HPP Products and Eligible

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12 Month-to-month subscriptions require that a renewal PO is submitted 5 days before the renewal date.
13 90 days for SIDs with terms greater than 90 days. For SIDs with terms of 90 days or less, changes can be made 30 days in advance.
14 Add-ons only. SID Managers do not have access to redeem new services.
HPP Services but can never change it in a way that allocates more of the original HPP Fund Balance to HPP Services than as set forth in this initial allocation. Any reallocation is subject to the exchange ratio stated in the customer’s ELA.

**Example:** You purchase $100 MSRP of HPP Credits that was initially allocated as $90 for Products and $10 for Services. Your agreement states an exchange ratio of 0.5 from Products to Services and 2 from Services to Products.

You can move all $10 from Services to Products by using the transfer capability on your My Funds page in My VMware. When you execute this transfer, you will have a $110 balance that can be used for Products and a $0 balance for Services. You then decide to transfer $10 from Products to Services. Executing this transfer will result in a $100 balance for Products and $5 for Services. You then decide to transfer another $50 from Products to Services. This transfer will not be allowed because this will result in a $30 balance for Services, which exceeds the initial allocation amount of $10.

**Example:** You purchase $100 MSRP of HPP Credits that was initially allocated as $90 for Products and $10 for Services. Your agreement states an exchange ratio of 0.5 from Products to Services and 2 from Services to Products.

You redeem $5 for Services and your current balance is $90 for Products and $5 for Services. You decide to transfer $10 from Products to Services. This transfer is not allowed. Because this transfer will result in a balance of $10 for Services, giving you the ability to spend a total of $15 on Services ($5 already spent and a potential $10), which exceeds the initial allocation amount of $10.

**Example:** You purchase $100 MSRP of HPP Credits that was initially allocated as $90 for Products and $10 for Services (Purchase 1). You make another HPP purchase that was initially allocated as $90 for Products and $10 for Services (Purchase 2). When you decide to transfer credits, you can only transfer within the Products and Services balances from Purchase 1 and not across Purchases 1 and 2. In other words, you cannot transfer $10 from Services in Purchase 1 to Products in Purchase 2.

**Reporting Requirements**

The My Funds dashboard page within My VMware features robust reporting functionality, including a Redemption Report containing the SKUs redeemed, item quantity, order value, and order date. Both Fund Owners and Fund Users can access reports. Fund Users may only view their own redemption activities. Fund Owners may view details about all redemptions associated with an HPP Fund.

**Affiliates**

A Fund Owner cannot give access or transfer an HPP Fund Balance to affiliates, and affiliates of the same organization cannot aggregate their HPP Fund Balances and purchase HPP Credits as a single entity. However, a customer can enroll as a Fund Owner of an approved affiliate company and then purchase their own HPP Credits. To join an existing VMware Purchasing Program membership, affiliates must satisfy all of the following criteria:

1. The affiliate is at least 50 percent owned by the parent.
2. The affiliate purchases VMware Subscription Services through the parent company’s purchasing department.
3. The affiliate does not publicly trade on any stock exchange under its own stock ticker symbol.
Overage
If your HPP Fund Balance is insufficient to pay for ongoing Subscription Services and/or Products and associated SnS, you will incur an Overage. Within 30 days or as stated in your ELA of incurring such Overage, you must purchase additional HPP Credits to cover the overage amount. HPP purchases are first applied toward any incurred overage and any excess over the overage is then made available as a Fund Balance. Overages on Subscription Services can also be paid by purchasing SPP Credits. SPP purchases are first applied toward any incurred Subscription Service Overage and any excess over the overage is then made available as a Fund Balance.

Policies
Pricing/Rate Cards
The My Funds dashboard page within My VMware reflects the MSRP value of your Fund Balance in the VMware transacted currency of purchase. When you redeem HPP Credits for Products and associated SnS, the associated pricing is based on the MSRP value of the products and SnS in the same currency as your Fund Balance. The MSRP values of licenses and corresponding SnS are fixed for the duration of the HPP Term. The MSRP value of services is based on the then-current MSRP prices at the time of redemption. When you redeem HPP Credits for a Subscription Service, the associated rate card is based on the MSRP value of the service in the same currency as your Fund Balance. Volume tiering discounts and discounts for redeeming Subscription Services with longer terms or prepaid/annual billing types are reflected in the rate card.

Example: The chart below shows the monthly cost of a Subscription Service (VMware vCloud® Hybrid Service™ - Virtual Private Cloud A1A - Core Subscription - SSD Accelerated) with a monthly or prepaid billing type. All prices are in USD (MSRP). Actual prices may vary.

<table>
<thead>
<tr>
<th>TERM LENGTH</th>
<th>BILLING TYPE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monthly</td>
</tr>
<tr>
<td>1 Month</td>
<td>$1,289 per month</td>
</tr>
<tr>
<td>12 Months</td>
<td>$1,237 per month</td>
</tr>
<tr>
<td>24 Months</td>
<td>$1,186 per month</td>
</tr>
<tr>
<td>36 Months</td>
<td>$1,134 per month</td>
</tr>
</tbody>
</table>

For additional details about pricing, refer to the applicable terms of service posted at http://www.vmware.com/download/eula as well as any associated service description.

¹ When the prepaid billing type is selected, the cost of the full duration of a service is debited from your Fund Balance. The monthly costs shown are for comparison only.
Financial Responsibility
Under the HPP, you must maintain a positive Fund Balance to cover the costs of your redeemed Subscription Services by purchasing additional SPP or HPP Credits from VMware or a VMware authorized partner when your balance indicates an Overage.

Early Termination of Services
Within HPP, Subscription Services with a monthly billing type and an initial term of 12 months or more may be eligible for early termination. Early terminations can result in additional fees and are subject to the TOS posted at http://www.vmware.com/download/eula. Any fees incurred will be deducted from available HPP Fund Balances or billed to the customer if those balances are insufficient. Prepaid Subscription Services are not eligible for early termination.

Multiple SPP/HPP Funds and Contracts
An HPP Fund Owner is permitted to own and manage multiple active SPP and HPP Fund Balances at the same time. However, SPP/HPP Fund Owners and Fund Users cannot:

• Draw from multiple Fund Balances to purchase services.
• Transfer balances between two different funds, even if both are within the same Entitlement Account.
• Transfer balances between two funds with different currencies.

Changing Payment Method
When Subscription Services are provisioned after an HPP Fund redemption, the SIDs and associated Add-ons will continue to consume your available Fund Balance for any monthly or annually recurring bills and usage. You may only change the payment method of a Subscription Service from an HPP Fund to a monthly/annual PO during renewal. If you are already paying for an SID with a purchase order, you can change the payment method to an available Fund Balance during renewal.

If you acquired an SID directly from VMware with a prepaid billing type, you can change the payment method to an HPP Fund at any time. The change takes effect following the completion of the subsequent monthly billing cycle. The payment method for SIDs purchased with a credit card can also be switched to an HPP Fund at any time.

Associating Partners with Redemptions and SIDs
Customers currently have the ability to associate a qualified partner with a redemption and/or SID only during certain events such as redemption or renewal. Customers typically associate partners based on the relationship they have with that partner to assist in the management of their funds and/or services. Associating a partner in this manner will grant to the partner access to Products and/or SID details and information about Fund Balances. Contact hpp@vmware.com for additional details.

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16 This option is only available if the SPP Credits were purchased from a VMware authorized partner. If the SPP Credits were purchased directly from VMware or a non-authorized partner, the partner selection option is not available.
Changing Currency of Fund Balances, Rate Cards, and SIDs
Your Fund Balance is maintained in the same currency that was used to purchase your HPP Credits. Consequently, any Products or Subscription Service redeemed from your HPP Fund use a rate card in the same currency as the Fund Balance. Changing the currency of Fund Balances, rate cards, and SIDs is not permitted.

Returns and Exchanges
Once purchased, HPP Credits cannot be returned or exchanged for other products or services. Suspension, early termination, and full termination of VMware Subscription Services after provisioning are subject to the TOS posted at http://www.vmware.com/download/eula.

Redemption Errors
VMware is not responsible for any customer redemption errors such as the selection of incorrect products, services (SKUs), or quantities.

EPP Tokens, SPP Credits, and CCPP Credits
Tokens acquired under the EPP, Credits acquired under the SPP, and Credits acquired under the Cloud Credits Purchasing Program (CCPP) cannot be exchanged or combined. HPP Credits cannot be exchanged or combined with EPP and CCPP. A customer’s HPP Fund Balance for services can include HPP and SPP prepaid purchases.

End of HPP Term
Fund Owners and Fund Users must consume their HPP Fund Balances before the end of the HPP Term. An HPP Fund Balance that is not redeemed will expire at the end of the HPP Term.