

VMware Subscription Purchasing Program



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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 Subscription Purchasing Program (SPP) offers a flexible way to acquire VMware Subscription Services in the form of Subscription Credits (SPP Credits). You can acquire SPP Credits through a prepaid (SPP Prepaid) or monthly commitment option (SPP Monthly)¹. 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 any VMware Subscription Service listed in the SPP Eligibility Matrix.

Program Features

- **Two ways to buy:** Select the SPP Prepaid option to purchase SPP Credits on an as-needed basis or as your budget allows. Select the SPP Monthly option if you prefer the predictability of a routine monthly charge and can commit to spending or consuming a set amount from your SPP Fund Balance each month for at least one year.
- **Self-service dashboard:** Submit on-demand provisioning requests for Subscription Services through My VMware.
- **Centralized or decentralized management:** Allocate fund balances to different departments, projects, or Fund Users.
- **Scale with ease:** Increase your SPP Fund Balance at any time to meet the changing needs of your organization.
- **Flexible spending:** Redeem SPP Credits to pay for new Subscription Services, Add-ons for existing services², service renewals, or recurring usage and subscription costs.
- **Price transparency:** Easily track the MSRP costs of Subscription Services against your currency-denominated fund balance.

Program Benefits

- **Mix-and-match configurations:** Select a unique configuration for each Subscription Service, including term (1 month to 3 years) and Billing Method (monthly, annually, or prepaid).
- **Streamlined funding:** Use fund balances to sign up for new Subscription Services and to cover the recurring subscription and usage costs of your services – all without the hassle of procuring monthly purchase orders (POs).

- **Future-proofed value:** SPP Credits can be redeemed 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.
- **Rollover unused balances:** SPP Monthly commitment fund balances carry over from month to month – simply consume your remaining balance by the end of the commitment term.
- **Valuable discounts:** Purchase VMware SPP Credits at a discount³ (SPP Prepaid only) and receive volume⁴ discounts based on the actual quantity and duration of the services you consume (SPP Prepaid and SPP Monthly).

How to Get Started

Before acquiring Subscription Services Credits, you should:

- **Review the SPP Guide:** Unless otherwise negotiated in an Enterprise Agreement, your participation in SPP is subject to the SPP Guide located at www.vmware.com/go/spp.
- **Register for VMware Purchasing Programs:** Visit the VMware Purchasing Programs page to enroll in SPP. After completing your enrollment forms, you will receive a VMware Purchasing Program membership number that identifies you as an SPP Fund Owner. If you are already enrolled in a VMware Purchasing Program, you can use your current membership number to enroll as an SPP Fund Owner.
- **Estimate demand:** Use the Subscription Credit Estimator to calculate the number of SPP Credits needed to fund VMware Subscription Services under the SPP Prepaid or SPP Monthly options. Each eligible Subscription Service has a currency-denominated credit value.
- **Purchase SPP Credits:** Contact a VMware Offering Partner or Account Executive to purchase the SPP Credits you need to meet estimated demand. Include your VMware Purchasing Program membership number, My VMware Entitlement Account (EA) number, and SPP Fund Owner on the PO.

After purchasing SPP Credits, you can:

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

¹ The minimum commitment term is 12 months.

² Please see pages 7-8 of this guide for additional details.

³ 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.

⁴ These discounts are in the form of lower redemption values based on the tiering structure of the individual service.

For More Information

To find out more about the Subscription Purchasing Program, visit www.vmware.com/go/spp.

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

Basic EPP Definitions

VMware Purchasing Program Membership: To make purchases under the Volume Purchasing Program (VPP), the Enterprise Purchasing Program (EPP) or the Subscription Purchasing Program (SPP), you must first enroll as a VMware Purchasing Program member. Upon successful enrollment, you will receive a VMware Purchasing Program membership number.

Subscription Credit (SPP Credit): A unit of value denominated in VMware transacted local currencies that can be purchased by an SPP customer and redeemed for any VMware Subscription Service listed in the SPP Eligibility Matrix.

SPP Prepaid: SPP Credits purchased under this option are prepaid and must be consumed within the SPP Term.

SPP Monthly: SPP Fund Balances under the SPP Monthly option represent a monthly commitment to purchase SPP credits for the SPP Monthly Term. Customers choose their monthly commitment, which is listed in the initial SPP Monthly credit order. During the SPP Monthly Term, the SPP Fund Balance will reflect a deposit each month for the same monthly commitment. Customers are billed for that commitment amount each month and must make payments per their agreement with VMware or a VMware authorized partner.

Monthly Commitment: Under the SPP Monthly option, the monthly commitment represents the minimum amount that is automatically deposited into your SPP Fund each month and for which you are billed for the duration of your commitment term.

Fund Owner: An individual who has the authority to purchase, receive, and redeem SPP Credits in the My VMware portal. The Fund Owner is either the person who enrolled in SPP or was designated by a Partner during enrollment. Fund Owners can allocate SPP Credits to any named Fund User and can also manage multiple SPP Funds.

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

Fund Balance: Denominated in a VMware transacted currency⁵, a Fund Balance represents the amount you can redeem for VMware Subscription Services. A Fund Balance may consist of multiple SPP Credit purchases, each with its own expiration date based on the date of purchase. SPP customers may have more than one Fund Balance.

Fund: An online repository of an SPP customer's purchased SPP Credits. Funds are denominated in VMware transacted local currencies and represent MSRP value. Each SPP Prepaid and SPP Monthly Credit purchase has an expiration date.

Active SPP Fund / Fund Balances: Each SPP Prepaid and SPP Monthly Credit purchase has a specific term during which you must consume your Fund Balance. An SPP Fund that has not reached its expiration date is considered an active SPP Fund. A Fund Balance may consist of multiple active SPP Funds, each with its own expiration date. SPP Fund Owners and Fund Users may simultaneously manage and redeem from multiple active Fund Balances. However, Fund Owners/Users cannot aggregate or co-mingle multiple active SPP Fund Balances in order to purchase a single Subscription Service.

Expired SPP Fund / Fund Balances: Each SPP Prepaid and SPP Monthly 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 SPP Fund. Once an SPP Fund has expired, you cannot redeem any remaining balance associated with it. A Fund Balance may consist of multiple SPP Credit purchases, each with its own expiration date. As individual SPP Funds expire, they are removed from the Fund Balance. Charges incurred after the fund expiration date cannot be paid using the expired SPP Fund. Fund Owners can download redemption reports for their expired SPP Funds.

SPP Term: The SPP Prepaid Term is 1 year from the date VMware books an SPP Prepaid credit order. The SPP Monthly Term is 1 year from the date VMware books the first SPP Monthly commitment order. The minimum SPP Monthly commitment term is 12 months. Any unused SPP Fund Balance at the end of an SPP Term, whether SPP Prepaid or SPP Monthly, will be forfeited. Customers are not entitled to a refund for any unused SPP Fund Balances. A Fund Balance may consist of multiple SPP Funds⁶ or a combination of SPP and HPP⁷ 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.

SPP 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 a redemption order for the Subscription Service. The service term may be less than, equal to, or greater than the SPP Term.

⁵ USD, Euros, GBP, Yen, AUD and Local USD (where applicable).

⁶ Driven by multiple SPP and/or HPP credit purchases.

⁷ For details on HPP, please see www.vmware.com/go/hpp.

Initial SPP Order: To participate in SPP, a Fund Owner must purchase SPP Credits in what is known as the Initial SPP Order. To place the Initial SPP Order, you must use the applicable SPP SKU. The SPP Prepaid and SPP Monthly options have unique SKUs. Purchased SPP credits are reflected in your My VMware account as a Fund Balance denominated in a VMware transacted local currencies.

Top-Up Order: A Fund Owner may increase their SPP Fund Balance by purchasing additional SPP Credits. Additional SPP Credit purchases will always increase an existing SPP Fund Balance if the Fund Owner, Entitlement Account number, and transacting currency are the same. If any of the three criteria are different, the SPP Credit order will result in the creation of a new Fund Balance. Top-up orders representing an increase in the SPP Monthly commitment level do not create a new Fund Balance.

Rollover: Applies only to SPP Monthly. Any unused SPP Fund Balances in the SPP Monthly option are rolled over into the following month but will not rollover when the SPP Monthly Term expires. Any unused SPP Fund Balance at the end of the SPP Monthly Term will be forfeited.

SPP Prepaid Overage: If your SPP Fund Balance is insufficient to pay for an ongoing Subscription Service, you will incur a Prepaid Overage. Within 30 days of incurring a Prepaid Overage, you must purchase additional SPP Credits to cover the overage amount. You may not use SPP Monthly Fund Balances to pay for a Prepaid Overage.

SPP Monthly Overage: The SPP Monthly option allows new Subscription Service or Add-on redemptions even when the initial cost of a redemption exceeds your current SPP Fund Balance ("Monthly Overage"). Within 30 days of being billed for a Monthly Overage, you must purchase SPP Overage SKUs to cover all overage amounts incurred under the SPP Monthly option. You may not use SPP Monthly commitment deposits to pay for a Monthly Overage.

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 SPP 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.

Redeemed Services: Subscription Services purchased using your SPP Fund Balance. Eligible services are listed in the SPP Eligibility Matrix.

SPP Eligibility Matrix: Represents a subset of generally available VMware Subscription Services for which you can redeem your SPP Fund Balance. The SPP Eligibility Matrix is updated monthly to reflect the addition of new services and removal of discontinued services. The SPP Eligibility Matrix can be found at www.vmware.com/go/spp.

Program Rules

Enrollment

To enroll in SPP, visit the VMware Purchasing Program homepage at www.vmware.com/go/purchasenow. During enrollment, you will designate yourself as the SPP Fund Owner. A VMware authorized partner can also enroll their customers as SPP Fund Owners. You can enroll as net-new or add SPP status to your existing VMware Purchasing Programs membership. If your organization is an affiliate of an existing VMware Purchasing Program membership holder, you can request to join the parent VMware Purchasing Program membership and also apply to be an SPP Fund Owner. An affiliate must receive approval from the parent company's Primary Membership Administrator (PMA) before submitting an SPP purchase order.

Customers who enroll net-new to VMware's Purchasing Programs will receive a VMware Purchasing Program membership number to use for future SPP or VPP purchase orders. Customers adding SPP status to their existing VMware Purchasing Program membership will not receive a new membership number but will instead continue to use their existing membership number when submitting SPP or VPP purchase orders.

Each VMware Purchasing Program membership may have multiple SPP Fund Owners (a many-to-one relationship), but each SPP Fund and resulting Fund Balance will only have one Fund Owner (a one-to-one relationship).

VPP Customers

Subject to the terms of VPP, existing VPP customers who purchase SPP Credits will accumulate points towards their eligible VPP purchases⁸. For example, if you purchase \$300,000 in SPP Credits, you will receive 3,000 VPP points as long as you included your VPP number in the qualifying SPP order.

⁸ Please refer to the VPP Program Guide located at www.vmware.com/go/purchasenow.

Initial Purchase

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

Example:

An SPP Fund Owner requiring VMware Subscription Services with a value of \$36,000 USD (MSRP) over 12 months can submit an SPP Prepaid PO for 360 units of the SPP Credit SKU. This results in a Fund Balance of \$36,000 USD (\$100 x 360 = \$36,000 SPP Credits⁹). Under the SPP Monthly option, the same customer would commit to purchasing \$3,000 in SPP Credits each month for 12 months by submitting an initial order for 30 SPP Credits. After an SPP PO is booked, the My Funds page of My VMware will automatically populate with the appropriate SPP Fund Balance. The Fund Owner will receive an email with instructions for accessing the My VMware portal to manage and redeem purchased SPP Credits. The EPP SKU can be ordered in multiple quantities to accommodate the customer's specific needs and budget.

SPP Prepaid

Under the SPP Prepaid option, you pay upfront for SPP Credits that can be redeemed over time for any VMware Subscription Service listed in the SPP Eligibility Matrix. The SPP Prepaid term is 12 months from the day VMware books your SPP Credit order. Any remaining SPP Fund Balance at the end of your SPP Term is forfeited.

SPP Monthly

Under the SPP Monthly option, you commit to spending a minimum monthly amount for a specified term. For example, if you intend to spend \$12,000 USD on Subscription Services over 12 months, your SPP Monthly commitment level would be \$1,000 per month for 12 months. To initiate the SPP Monthly plan, you would purchase \$1,000 USD (MSRP) of SPP Credits. Each month thereafter, VMware would automatically deposit \$1,000 USD (MSRP) to your SPP Fund Balance. VMware bills you or your authorized partner for the SPP Monthly deposits. SPP Monthly Fund Balances that are not consumed are automatically rolled over at the end of each month. The final rollover occurs at the beginning of the last month of your SPP Monthly commitment term.

Example:

A customer selects an SPP Monthly commitment level of \$1,000 USD (MSRP) per month for 12 months. The table below shows the Fund Balance at the beginning of each month:

MONTH	BEGINNING BALANCE	DEPOSIT AMOUNT	AMOUNT CONSUMED	ENDING BALANCE
Jan	\$0	\$1,000	\$0	\$1,000
Feb	\$1,000	\$1,000	\$500	\$1,500
Mar	\$1,500	\$1,000	\$500	\$2,000
Apr	\$2,000	\$1,000	\$3,000	\$0
May	\$0	\$1,000	\$0	\$1,000
Jun	\$1,000	\$1,000	\$0	\$2,000
Jul	\$2,000	\$1,000	\$0	\$3,000
Aug	\$3,000	\$1,000	\$0	\$4,000
Sep	\$4,000	\$1,000	\$0	\$5,000
Oct	\$5,000	\$1,000	\$0	\$6,000
Nov	\$6,000	\$1,000	\$0	\$7,000
Dec	\$7,000	\$1,000	\$8,000	\$0

In the example, the ending Fund Balance from each month is rolled over into the next month. The final rollover occurs in the beginning of December. Any remaining Fund Balance at the end of December will be forfeited. Customers looking to acquire prepaid services under the SPP Monthly option should plan their commitment level accordingly to minimize overages.

SPP Prepaid Overage

Under the SPP Prepaid option, your Fund Balance must be sufficient to cover the billed cost of new Subscription Services or Add-ons to existing services¹⁰. SPP Prepaid overages represent outstanding charges for usage-based items or recurring monthly costs for existing services in excess of your Fund Balance. In the event of an overage, customers or their authorized partners must purchase additional SPP Credits using the applicable SPP Credit SKU.

⁹ Although customers may receive discounts on their purchase of SPP Credits, their Fund Balances will always reflect the MSRP value of their credits in VMware transacted currencies.

¹⁰ Please see section labeled Subscription Service Redemption for more details.

SPP Monthly Overage

Under the SPP Monthly option, you can place redemption orders for new Subscription Services or Add-ons even if your current Fund Balance is insufficient. If you redeem a Subscription Service with a billed cost greater than your available Fund Balance, the negative amount is tracked as an overage. Outstanding charges for usage-based items or recurring monthly costs for existing services in excess of your Fund Balance are also tracked as overage. Customers or their authorized partners are billed for Monthly Overages using an Overage SKU. You cannot pay for an overage by increasing your SPP Monthly commitment level unless you submitted the increase prior to the billing cycle. You also cannot use SPP Prepaid or HPP Credits as a means to pay for a Monthly Overage. Overage costs are discounted¹¹ at the same rate as your SPP Monthly Credits and are billed in arrears. Redeeming prepaid Subscription Services under the SPP Monthly option may result in unanticipated overage charges. It is recommended that customers plan their monthly commitment levels in advance to minimize overage charges.

Increasing SPP Monthly Commitment

You can increase your SPP Monthly commitment at any time during the SPP Monthly Term, either by submitting a provisioning order using the SPP Monthly SKU or by increasing your commitment level in My VMware.

Example:

A customer selects an SPP Monthly commitment level of \$1,000 USD (MSRP) per month for 12 months starting January 1, 2015. On March 15th, the customer decides to increase their commitment from \$1,000 per month to \$1,500 per month. The customer can submit a manual provisioning request using the SPP Monthly SKU (QTY: 5) for \$500 USD (MSRP) or by using the Increase Monthly Commitment functionality in My VMware. Depending on the timing of the request, VMware will deposit a prorated value of the \$500 increase into the SPP Monthly Fund. If the request to increase the monthly commitment is processed mid-month, then that month will see a prorated deposit. Starting the following month, VMware will automatically increase the customer's Fund Balance by \$1,500 (\$1,000 for the original commitment and \$500 for the increase in commitment) each month until the end of the SPP Monthly Term. From a billing standpoint, the customer will be billed in April for the \$1,500 commitment, the prorated value of the increase, and any applicable overages. In May, the customer will be billed for the \$1,500 commitment plus any overages.

You cannot decrease your SPP Monthly commitment during the SPP Monthly Term. These changes can only be made during the SPP Monthly renewal window and take effect upon renewal.

SPP Monthly Renewal

SPP Monthly automatically renews at the end of the SPP Monthly Term for the then-current commitment level and term. For example, if your monthly commitment is \$1,500 per month with a term of 12 months, then your SPP Monthly plan will automatically renew with a monthly commitment of \$1,500 per month for another 12-month term. If your initial commitment was \$2,000 per month and you later increased the commitment level to \$2,500 per month, then SPP Monthly will renew for \$2,500 per month for 12 months. Prior to renewal, you can increase or decrease your SPP Monthly commitment, change the SPP Monthly Term, or cancel your SPP Monthly plan. These changes will take effect upon renewal. If you submit multiple changes to your SPP Monthly plan, your renewal will be based on the most recently submitted change.

SPP Prepaid vs. SPP Monthly

	SPP PREPAID	SPP MONTHLY
Payment Term for SPP Credits	Prepaid	Monthly
Deposits	One-time	Monthly during commitment term
Rollover	N/A	Yes
SPP Term	12 months from date of purchase	12 months from date of first deposit
Overage	Only incur overage through charges for recurring bills, usage-based items and OnDemand services	Incur overage by signing up for new Subscription Services or Add-ons with an insufficient Fund Balance
Discounts	0-4% based on volume and rate card discounts	Rate card discounts only
Billing	Billed each time you purchase SPP Prepaid Credits	Billed monthly for commitment and any overage fees

¹¹ 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.

End of Life (EOL)

Periodically, certain VMware Subscription Services will be designated by VMware for end of life (EOL). A Subscription Service that has reached EOL is no longer available for sale on VMware’s published price lists and, therefore, is no longer available for redemption in SPP. You may still redeem SPP Credits for EOL services in advance of the EOL date set by VMware.

SPP Monthly Termination

SPP Monthly may be terminated after the first 3 months of the SPP Monthly Term with 30 days advance written notice to VMware. There will be an early termination penalty fee equal to one month of the terminated monthly commitment fees. Terminating the SPP Monthly option does not automatically terminate the Services redeemed using the SPP Fund Balances

Example:

A customer makes an SPP Monthly commitment purchase on January 1st and is subsequently billed for the SPP Monthly commitment amount on the 1st of each month. If the customer notifies VMware on April 15th of their intent to terminate SPP Monthly, then the SPP Monthly commitment will terminate on June 1st (the first of the month following 30 days’ notice). If the customer notifies VMware on May 2nd, then their SPP Monthly commitment will terminate on July 1st.

VMware may terminate a customer’s SPP Monthly commitment effective immediately upon providing the customer with emailed notice if they: (i) fail to pay any portion of the monthly commitment fees due or correct any Monthly Overage due within ten (10) days after receiving written notice from VMware that payment is delinquent; (ii) terminate or suspend their business; (iii) become insolvent, admit in writing their inability to pay their debts as they mature, or make an assignment for the benefit of creditors; or (iv) become subject to control of a trustee, receiver, or similar authority or any bankruptcy or insolvency proceeding. All unused SPP Fund Balances are forfeited upon termination of the commitment. Customers will not be entitled to a refund for any unused SPP Fund Balances. Termination of the SPP Monthly commitment may include termination of access to any Subscription Service (SID) aligned with the SPP Monthly commitment.

Eligible Products and Futures

Fund Owners/Users may redeem SPP Funds for a broad range of VMware Subscription Services. For a full list of VMware Subscription Services eligible for SPP redemption, please refer to the SPP Eligibility Matrix.

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

Future additions to the list of eligible products will include:

- VMware Subscription Services that are made generally available and are included on VMware’s price list after the start of your SPP Term.

- VMware Subscription Services that are listed in the SPP Redemption Configurator or Eligibility Matrix.
- Generally, products that are excluded from future eligibility for SPP redemption include:
- VMware Subscription Services that are subject to third-party restrictions that prohibit distribution in SPP.
- 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 SPP redemption.
- Subscription Services excluded from SPP as required by law.

Subscription Service Redemption

To redeem SPP 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 SPP 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 Credits in the SPP Prepaid option or pay for overages in the SPP Monthly option. After you place a redemption order, your Fund Balance will decrease by an amount equal to the redemption value. The following table summarizes how SPP Credits are debited from your Fund Balance depending on the billing type selected¹²:

SPP TERM	BILLING TYPE		
	Monthly	Annually	Prepaid
1 Month	Charged Monthly	N/A	N/A
3 Months	Charged Monthly	N/A	One-time, upfront charge
12 Months	Charged Monthly	Charged Annually	One-time, upfront charge
24 Months	Charged Monthly	Charged Annually	One-time, upfront charge
36 Months	Charged Monthly	Charged Annually	One-time, upfront charge

¹² Billing type refers to how fund balances are decremented against their purchased SPP Credit balances.

When you redeem SPP 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 SPP 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.

Discounts

You may receive discounts¹³ on your purchase of SPP Prepaid 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. No discounts on SPP Credits are available in SPP Monthly. Additional discounts are available when SPP 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.

Service Provisioning

Once you submit a redemption order, VMware will provision the Subscription Service in accordance with the terms of service (TOS) posted at 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 redemption order. Your right to use each redeemed VMware Subscription Service is subject to the TOS.

Subscription Service Add-ons

You can redeem SPP 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 the redemption order) or after the service has been provisioned. Add-ons are always co-terminated to the SID with which they are

associated. Add-ons will only consume SPP Credits if the associated SID was purchased by redeeming from an 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 \$100 USD (MSRP) per month. This Add-on is purchased on October 15th 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 1st. At the time of redemption, the customer's Fund Balance is charged a prorated amount of \$59.18 USD (MSRP) for October 15th through November 1st. This represents an annual cost of \$1,200 divided by 365 and then multiplied by 18 days.

Terms of Service

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

Subscription Services Billing

SPP customers are not required to submit monthly POs to cover new Subscription Service provisioning requests, Add-ons, renewals, monthly recurring bills, or usage. Under the SPP Monthly option, customers or authorized partners may submit monthly POs or use open POs to cover the monthly commitment level and overages. 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 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 SPP Credits. Carrying an insufficient or negative Fund Balance for a period greater than 30 days may result in VMware initiating the termination of services. For more information, refer to the TOS posted at www.vmware.com/download/eula.

¹³ 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.

Monthly or Annually Recurring Billing

If you select a recurring billing type (monthly or annual) during redemption, VMware will automatically debit SPP 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 SPP 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 \$1,000 USD (MSRP) billed monthly. The billing date of this service is November 1st. On October 15th, the customer redeems a 12-month Add-on with a monthly billing type and a cost of \$100 USD (MSRP) per month. As outlined in the section titled Subscription Service Add-ons, the customer's Fund Balance would decrease by \$59.18 USD (MSRP) upon redemption. In this example, however, the service is not provisioned until October 20th. On the billing date of November 1st, the customer's Fund Balance would be decreased by the following amounts in USD (MSRP) for the period of November 1st through November 30th:

- 1) \$1,000 for the Subscription Service monthly cost
- 2) \$100 for the Add-on
- 3) \$16.44 as a credit¹⁴ for the Add-on because provisioning occurred on October 20th

At the time of redemption, \$59.18 USD (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.

Roles and Responsibilities

RESPONSIBILITY	FUND OWNER	FUND USER	SID MANAGER
Manage Credits	✓		
Manage Users	✓		
Redeem Credits	✓	✓	✓ ¹⁵
Download Redemption Reports	✓	✓	

¹⁴ 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.

¹⁵ Add-ons only. SID Managers do not have access to redeem new services.

Fund Balance Management in My VMware

SPP Fund Owners/Users can log into My VMware to access the My Funds dashboard page. From the dashboard, you can view your SPP Fund Balance and redeem SPP Credits for VMware Subscription Services. Each newly created Fund Balance is preloaded with the MSRP value of your purchased SPP Credits denominated in VMware transacted currencies. Each time an SPP Fund Owner/User redeems SPP Credits for VMware Subscription Services, the redemption cost is debited from the Fund Balance. VMware automatically debits the cost of monthly or annually recurring bills and usage from the Fund Balance.

Subscription Service Renewals

You can also use your Fund Balance to renew existing VMware Subscription Services that were redeemed using that SPP Fund. Three renewal methods are available under SPP: 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 should submit your PO 30 days before the renewal date¹⁶. For self-service renewals, you may modify your renewal configuration as early as 90 days¹⁷ 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 SPP Credits to monthly POs. For more details, view the sections titled Changing Partners in SPP Monthly, Changing Currency, and Changing Payment Method.

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 SPP Fund.

¹⁶ Month-to-month subscriptions require that a renewal PO is submitted 5 days before the renewal date.

¹⁷ 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.

Affiliates

A Fund Owner cannot give access or transfer an SPP Fund Balance to affiliates, and affiliates of the same organization cannot aggregate their SPP Fund Balances and purchase SPP Credits as a single entity. However, a customer can enroll as a Fund Owner of an approved affiliate company and then purchase their own SPP 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.

Channel

VMware channel partners must obtain advanced approval from VMware to sell SPP Credits to customers. Only channel partners with the Hybrid Cloud or DaaS competencies may offer the SPP Monthly option.

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 SPP 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.

TERM LENGTH	BILLING TYPE	
	Monthly	Prepaid ¹⁸
1 Month	\$1,289 per month	N/A
12 Month	\$1,237 per month	\$1,211.67 per month
24 Month	\$1,186 per month	\$1,160.00 per month
36 Month	\$1,134 per month	\$1,109.00 per month
36 Months	Charged Monthly	Charged Annually

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

Financial Responsibility

Under the SPP Prepaid option, you must maintain a positive Fund Balance to cover the costs of your redeemed Subscription Services by purchasing additional SPP Credits from VMware or a VMware authorized partner when necessary. Under the SPP Monthly plan, VMware will bill you for overage. Any Monthly Overage must be paid within the time period stated in your agreement with VMware or a VMware authorized partner. Overages are paid using the Overage SKU.

Insufficient fund balances and unpaid monthly commitments or overages for a period greater than 30 days may result in the termination of your SPP Monthly commitment plan and associated Subscription Services. For more information, refer to the TOS posted at www.vmware.com/download/eula.

Early Termination of Services

Within SPP, Subscription Services with a monthly billing type and an initial term of 12 months or more may be eligible for early termination. Early terminations may result in additional fees and are subject to the TOS posted at www.vmware.com/download/eula. Any fees incurred will be deducted from available SPP 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 SPP 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 SPP 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 SPP 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

¹⁸ 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.

billing type, you can change the payment method to an SPP 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 an SPP Fund at any time.

Associating Partners with SIDs

Customers currently have the ability to associate a qualified partner¹⁹ with an SID only during certain events such as redemption or renewal. Customers typically associate partners with SIDs based on the relationship they have with that partner to assist in the management of their funds and/or services. Associating a partner with an SID in this manner will grant to the partner access to SID details and information about Fund Balances. Please contact spp@vmware.com for additional details.

Changing Partners in SPP Monthly

You may purchase SPP Monthly Credits from VMware authorized partners. During the SPP Term, you cannot change the authorized partner associated with your SPP Monthly plan. You can purchase SPP Monthly Credits from multiple partners.

Changing Currency of Fund Balances/Rate Cards/SIDs

Your Fund Balance is maintained in the same currency that was used to purchase your SPP Credits. Consequently, any Subscription Service redeemed from your SPP Fund uses a rate card in same currency as the Fund Balance. Changing the currency of Fund Balances, rate cards, and SIDs is not permitted.

Returns & Exchanges:

Once purchased, SPP 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 www.vmware.com/download/eula.

Redemption Errors

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

EPP Tokens, SPP Credits, CCPP Credits

Tokens acquired under the Enterprise Purchasing Program (EPP), Credits acquired under Subscription Purchasing Program (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.

End of SPP Term

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

¹⁹ 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