

Volume Purchasing Program (VPP)

General Information

Q. What is VMware's Volume Purchasing program (VPP)?

A. VMware's Volume Purchasing program (VPP) is an end customer purchasing program that rewards our customers, and helps maximize their investment in VMware software. By enrolling and purchasing under VPP, customers can lower their total cost of VMware software ownership over a rolling two-year period. VPP rewards customers for prior purchases, enables consistent savings for customers and their authorized affiliates, and provides online tools to manage their VPP membership.

Q. When will VPP become available to customers to use to purchase VMware product?

A. VPP will launch on Monday, July 26, 2010. Customers may enroll for a VPP membership on July 19, 2010.

Q. Is there a separate VPP program for Public Sector customers?

A. No, VMware will launch one VPP with clear and globally consistent program rules for all VMware customers with the exception of US Federal customers who will continue to receive volume discounts using their current program.

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

A. All VPP customers with active memberships as of July 1, 2010 will be automatically migrated into the new accumulative VPP at the same or better discounts that were granted in VPP. All VPP Bands C and D customers who have an active membership as of July 1, 2010 will maintain their current VPP discounts for 1 or 2 years depending on their membership type.

Q. What is the first date that a new customer can enroll in the new accumulative VPP?

A. The new accumulative VPP enrollment portal will open on July 19, 2010.

Q. What is the first date that a PO can be submitted using the new VPP?

A. The first day that POs can be submitted under the new accumulative VPP is July 26, 2010

Q. What are the key differences between the old VPP and the new accumulative VPP?

A. The new accumulative VPP allows end customers (and their affiliates) to automatically earn higher discounts as their spend increases. Below is a summary of the key differences:

	"OLD" VPP PROGRAM	"NEW" ACCUMULATIVE VPP
Accumulation of points	None	Points accumulate over 8 quarters with quarterly roll off
Affiliates	Share Parent discount at Bands C&D	Share Parent Discount at all Levels
Entry Threshold	500 points U.S. & EMEA; 350 points APAC, Canada and LATAM; 100 points Public Sector	250 points worldwide
Minimum Subsequent Purchase	100 points Commercial, 50 points Public Sector	None
Program Coverage	VPP for Commercial PS VPP for Public Sector	One program for all customers
Discounts Available on	License and SnS (Bands C&D only)	License only
Online Tools	Points Configurator and Membership lookup	Points Configurator, Membership lookup, Points Portal, Enrollment Portal

Q. What is the first date that the new Configurator is available?

A. The first day that the new Configurator can be used is July 19, 2010

Q. How will current VPP customers be notified about their new VPP membership numbers?

A. Prior to July 26, 2010, all VPP customers who have active membership will be notified via e-mail with the following information: (1) their new VPP membership number, (2) access to their online "Points Portal" that tracks earned discount levels and accumulated points, and (3) a link to the VPP Program Guide.

Q. What are the requirements to become a VPP member?

A. All VMware Customers are eligible to enroll for a VPP membership at www.vmware.com/go/vpp-enroll. However, discounts are earned and applied only when a qualifying purchase is made against a VPP membership number. US Federal customers will continue to receive volume discounts using their current program. Academic customers who purchase academic SKUs are not eligible to participate in VPP.

Q. Are US Federal customers eligible to participate in VPP?

A. US Federal customers may receive volume discounts using their current program.

Q. Can Academic customers participate in VPP?

A. Academic customers who purchase academic SKUs are not eligible to participate in VPP.

Q. Are OEMs eligible to participate in VPP?

A. No, OEMs are not eligible to participate in VPP.

Q. What products can earn for VPP points?

A. Most VMware license and SnS products, except renewals, contribute to customer qualification in VPP.

Q. Are Support & Subscription (SnS) products eligible for VPP discounts?

A. No, only license products are eligible for VPP discounts. SnS products count towards customer qualification in VPP.

Q. Are Acceleration Kits eligible for VPP discounts?

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

Q. Can a customer use VPP Membership Renewal credits in the new VPP?

A. No, VPP membership renewal credits are no longer valid.

Q. How can a customer qualify for VPP discounts?

A. There are two steps to qualify for a VPP discount. First, Customer must enroll for a VPP membership at www.vmware.com/go/vpp-enroll. Second, an order worth 250 points or more must be placed in the name of the VPP customer and must include their VPP membership number.

Q. Is there minimum re-order size for subsequent orders?

A. As long as a customer maintains a balance of at least 250 points, there is no minimum re-order size.

Q. Does a customer need to renew a VPP membership?

A. No, VPP memberships do not expire. However, the customers discount level may change after 2 years. A customer may hold a VPP membership number without any active discounts.

Q. What happens if an order is placed that does not reference a VPP Membership number?

A. VPP orders submitted without a VPP Membership number will not accumulate points nor will they earn VPP discounts.

Q. Where can I find additional information about VPP?

A. You can visit the VPP landing page at www.vmware.com/go/vpp to find more information about the program.

Affiliates

Q. Can an organization's affiliates share VPP discounts?

A. Yes, authorized affiliates are entitled to utilize and benefit from their parent organization's membership at all discount levels assuming they meet VMware's definition of a legal affiliate.

Q. What is VMware's definition of a "legal" or "authorized affiliate"?

A. To join their parent organization's VPP membership, an affiliate must satisfy all of the following criteria: 1) an affiliate must be at least 50% owned by the parent; 2) an affiliate utilizes the purchasing department of the parent company to purchase VMware product licenses; 3) an affiliate does not publicly trade on any stock exchange under its own stock ticker symbol. Please see the VPP Program Guide located on the VPP landing page at www.vmware.com/go/vpp for more information.

Q. Can Government entities name and or be an affiliate of another VPP customer?

A. All government entities (city, state, county, country, etc) who wish to benefit from another institution's VPP membership number must demonstrate that they cannot purchase VMware product licenses on its own behalf and rely on the organization holding the VPP membership to acquire VMware product licenses. (Note: US Federal customers should continue to acquire their volume licenses through their current program.)

Q. What happens if VMware determines that an affiliate does not meet the definition above?

A. VMware reserves the right to audit at any time the ownership status of any identified affiliate and reserves the right to remove such affiliates from VPP when the stated criteria is not met. Such affiliates may enroll for their own VPP membership and purchase VMware products using that membership number.

Q. How can legal affiliates enroll to share their parent organization’s VPP discounts?

A. During the enrollment process or on the “Points Portal”, a VPP member can add legal affiliates to its VPP membership. This is called a “Member listed Affiliate”. Another way for an affiliate to join its parent organization’s VPP membership is for the affiliate to enroll online using the “Self-Enrolled Affiliate” option. To use this option, the affiliate must supply the VPP membership number of their parent company. Following successful enrollment, all self-Enrolled Affiliates will be supplied with their own VPP membership number.

Q. Who approves requests to add affiliates?

A. The customer’s Primary Membership Administrator (PMA) makes all decisions about whether to add legal affiliates to its membership. VMware is not involved in the decision making process about how and when an affiliate is approved to join a VPP membership. VMware, does, however, reserves the right to audit VPP membership relationships to ensure compliance with VPP. Self-Enrolled Affiliates must receive approval from their parent organization prior to placing a VPP order.

Points and Discounts

Q. What is a VPP Point?

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

Q. Do VPP points accumulate?

A. Yes, once a VPP member places an order of 250 points or more, all points (including points from the qualifying PO) from any member of the VPP defined membership will accumulate provided the VPP membership number was referenced on the PO.

Q. What is the accumulation period?

A. VPP offers our customers a 2-year rolling accumulation period. Starting with and including the quarter of the purchase, earned points will roll off the accumulated total on the first day of the 9th quarter from purchase. Example: Points earned from a customer’s qualified purchase on 1/15/2011 will roll-off the accumulated total on 1/1/2013. In the same token, points earned from a qualified purchase made on 3/30/2011 will also roll-off on 1/1/2013.

Q. Do points ever roll-off the accumulated total?

A. VPP offers our customers a 2-year rolling accumulation period. Points are valid for up to 8 quarters, after which time earned points will roll-off the accumulated total. Each set of earned points roll-off on their own time schedule. Example: All points earned between 1/1/2011 and 3/31/2011 will roll off the accumulated total on 1/1/2013.

Q. What are the VPP discount levels?

A. There are four VPP discount levels that range from 4-12% for qualifying orders based on accumulated point totals. A customer’s accumulated points total determines their discount eligibility. Example: A customer with an accumulated total between 250-599 points is eligible for a 4% discount on license products.

LEVEL	POINTS	DISCOUNT
1	250-599	4%
2	600-999	6%
3	1,000 - 1,749	9%
4	1,750+	12%

Q. What is the relationship between points and discounts?

A. A customer’s accumulated points total determines their eligible VPP discount level. As the accumulated total increases, the eligible discount level may also increase.

Q. What is the basis for calculating VPP discounts?

A. Discounts are calculated off VMware’s published, then current, local MSRP prices. VMware MSRP prices can be found on www.vmware.com

Q. Once a customer qualifies for a higher discount level, when can the customer purchase at that level?

A. VPP discounts are derived from the sum total of the accumulated total plus any new order’s earned points. This discount level is applicable to the current order, and future orders as long as the points that map to this new discount level are still valid. Example: In Q1, a Customer makes a 500 point purchase (equates to a Level 1 VPP discount). In Q2, this same customer submits a 100 point PO. This customer’s accumulated total is now 500+100 =600 points (equates to Level 2 VPP discount). The customer can use the Level 2 discount for that entire 100 point purchase and for future purchases.

Q. What happens to a customer who does not make any purchases for 2 years after their initial 250 point (or more) purchase?

A. If a customer does not make any purchases for two years after their initial purchase, then all their points will roll off the accumulated total. This means that the VPP customer will not be eligible for a VPP discount. This customer can re-qualify for a VPP discount by placing an order worth 250 points or more. The customer will not need to re-enroll for a new VPP membership number.

Q. Can a VPP member accumulate their purchases to make the initial qualifying purchase of 250 points?

A. No, a VPP member cannot accumulate their purchases to make the initial qualifying purchase. Point accumulation starts with a minimum 250 point initial purchase.

Q. What happens if a VPP member submits an initial order that is less than 250 points?

A. A VPP customer who submits an initial VPP order worth less than 250 points will neither qualify for a VPP discount and nor will any points associated with this order count towards accumulation. Only when a customer submits a PO worth 250 points or more will points begin to accumulate on that PO and subsequent POs submitted to VMware. These points can be tracked in the customer's Points Portal.

Q. Can my customer combine multiple orders (a "split order") together to qualify for a VPP discount?

A. Yes, qualifying VPP orders are allowed to be split into multiple orders. If the order is split into multiple orders that would not have independently qualified as an initial VPP order, customers can still qualify for a VPP discount as long as the following requirements are met: (1) the first split order submitted to VMware must reference how many split orders will follow; (2) Each subsequent split order must include the first order's PO number and the VPP membership number in the comments field of the PO; (3) The orders must be placed by the same Distributor and Partner for the same customer or membership; (4) The split orders must be dated and submitted to VMware within 2 weeks of the first order.

Online tools

Q. What is the VPP Configurator?

A. The Configurator is a tool that helps a user determine, in advance, the VPP points associated with a given order and, if applicable, the corresponding discount level associated with that order. The Configurator can also add (1) a Customer's accumulated points total to the (2) points earned on a new order (as submitted by the user). The Configurator sums all points to determine the earned discount and thus, the correct VPP SKUs to use on a customer's PO.

Q. What information is available on the "Points Portal"?

A. The Points Portal is where a Customer and named Partners can access information such as: (1) accumulated points total, (2) eligible discount level, (3) points required to qualify for the next discount level, and (4) contact details for the Customer, Affiliates and Partner.

Q. Will the Points Portal display Purchase Orders and Prices?

A. No, regardless of who log in to the Points Portal (either Customer or a Partner), the Points Portal only displays accumulated points and discount levels.

Migration

Q. For what discount level will current VPP and PS VPP Band A and Band B customers be eligible under the new VPP?

A. VPP Band A and PS VPP Band A customers will receive a Level 2 (6% discount) under the new VPP. VPP Band B and PS VPP Band B customers will receive a Level 4 (12% discount) under the new VPP.

Q. For what discount level will Band C and Band D customers be eligible under the new VPP?

A. All Band C and Band D customers may continue to purchase VMware products and services using the current discount levels using a Special Pricing Form (Blanket SPF). These customers will maintain their special pricing for 1 year (Commercial) or 2 years (Public Sector) from the new VPP launch date. Enterprise License Agreement (ELA) customers who had a VPP Band C or D membership will also maintain their current discount level using the same special pricing for the duration of their ELA.

Q. Will customers who are part of the old VPP program need to enroll for a new VPP membership?

A. No, VPP Band A and Band B customers will be automatically enrolled into the new VPP. These customers will receive an email from VMware notifying them of their new membership and new VPP discount level. VPP Band C and Band D customers will not be migrated to the new VPP, but instead can continue to purchase VMware products and services using the current discount levels using a Special Pricing Form.

Q. How will partners be notified of these new VPP numbers for VPP Band A and Band B customers?

A. Partners may use the new VPP Points Portal to find their VPP customers. For customers who were part of the old VPP program, both the old and new VPP number will be displayed.

Additional Customer Specific Questions

Q. How can I enroll in VPP?

A. Customers can enroll online for VPP at www.vmware.com/go/vpp-enroll.

Q. What information will I need to provide when I enroll in VPP?

A. You will need to provide basic contact information such as: your name, email address and your company name and address. If you will not be administering the VPP membership going forward, you will need to designate a member of your company to do so (this person is called the Primary Membership Administrator or “PMA”). You will also have the option to name affiliates and choose a setting for how you want future affiliates to join your membership. You can also name partners who will be given access to view your Points Portal.

Q. I am already an active VPP member; do I still need to enroll for VPP?

A. No, you do not need to re-enroll for VPP. All active VPP member will automatically moved into VPP at the same or better discounts enjoyed in VPP and will receive a new VPP membership number.

Q. I was a VPP member but my membership expired last year; do I still need to enroll for VPP?

A. Yes, you will need to enroll for VPP as only active VPP memberships (as on July 1, 2010) were migrated into VPP. You can enroll at www.vmware.com/go/vpp-enroll.

Q. Will I receive notification after VPP enrollment is completed?

A. Yes, following a successful enrollment you will receive an email with a link to your Points Portal and your VPP membership number to use on all future VPP orders placed with VMware. If you are not already a registered user of VMware.com, you will also receive an email providing a link to register for a VMware account username and password. You will need this user name and password to log onto your Points Portal.

Q. I have logged onto my Points Portal to view my company contacts. I can see the names of contacts that have since left my company. How can I delete these names?

A. If you are a named Primary Membership Administrator (PMA) you can add or remove contacts. If you are not a PMA, you can only view these contacts but may not edit, add or delete contacts. Company contacts may work with their PMA to remove contacts if needed.

Q. How can I add or delete the names of Partners associated with my VPP membership?

A. If you are a named Primary Membership Administrator (PMA) you can add or remove Partners. If you are not a PMA, you can only view these Partners but may not edit, add or delete Partners. Company contacts may work with their PMA to remove Partners if needed. Please note that listed Partners may have been added by other affiliates or contacts so please confirm with your contacts before deleting a partner.

Q. I am the named PMA for my company but I am moving to another position. What do I need to do to add the name of a new PMA to my membership and remove my name?

A. PMAs have the ability to add (but not to delete) additional PMAs to a membership. Once you have added an additional PMA, please contact the VPP Team at www.vmware.com/go/contactvpp to have your record deleted.

Q. I just received my VPP membership number. Is my membership number active and able to use on a new VPP order?

A. In most cases, your VPP membership is activated as soon as you receive your VPP membership number. However, in cases where a Self-Enrolled Affiliate is attempting to join an existing VPP membership, the affiliate’s VPP membership number will not be active until the membership is approved by the parent organization’s PMA. You will also need to make a minimum qualifying purchase of 250 points or more to receive a discount.

Q. In the enrollment process, I was shown two affiliate options: “Allow after approval” and “Never allow”. What are the differences between these two options?

A. Affiliate settings protect the use of your VPP membership by new affiliates (e.g. affiliates not listed during the enrollment process or those who join their parent organization’s VPP membership using the Self-Enrolled Affiliate option). If a PO is submitted to VMware by one of your affiliates (not named in your Points Portal and not self-enrolled using your VPP membership number) that uses your VPP membership number, your chosen affiliate setting will be activated.

If you chose “Allow after approval,” an email will be sent to your PMA to approve or deny the use of your VPP membership number. If your PMA approves of the use of your membership number, then this affiliate will be one of your VPP approved affiliates and can take advantage of your earned discounts. If you chose “Never allow,” affiliates will not be allowed to use your VPP membership.

Q. When I log into my Points Portal process, I can see three affiliate options: “Allow after approval” “Never allow” and “Always Allow.” What is “Always Allow” and why do I see this additional affiliate option in the Points Portal that I did not see in during Enrollment?

A. The “Always Allow” option means that any legal affiliate (named in your Points Portal, self-enrolled or not yet named or enrolled) can use your VPP membership number. VMware only makes this option available on a customer’s Points Portal to ensure that the true owner of the VPP membership is in complete control over the use of their VPP membership number.

Q. My Partner enrolled on my behalf and chose the affiliate setting “Allow After Approval.” How do I change this setting?

A. If you are the named PMA, then you can log into your Points Portal to change this setting in the Affiliates section. If you are not the named PMA, please work with your PMA to change this setting.

Q. Is there a VPP enrollment guide available online?

A. Yes, you can find the VPP Enrollment Guide at www.vmware.com/go/vpp-enroll.

Q. My company is an affiliate of a current VPP member. Can I use my parent organization’s VPP membership?

A. Yes, you can either contact your PMA who can add your organization to their VPP membership or your organization may join your parent organization’s membership using the Self-Enrolled Affiliate option at www.vmware.com/go/vpp-enroll. You will need to supply your parent organization’s VPP membership number to begin the joining process.

Q. I want to enroll as a Self-Enrolled Affiliate but I do not have my parent organization’s VPP membership number. What should I do?

A. Please contact your Partner for help in locating your parent organization’s VPP membership number.

Q. I lost the email from VMware with information about my VPP membership number. Who can I contact for help?

A. You may contact your Partner for this information. Please also feel free to contact the VPP team at: www.vmware.com/go/contactvpp.

Q. Who do I contact if I have problems about the enrollment process?

A. Please refer to the VPP Enrollment Guide located at www.vmware.com/go/vpp. If your question was not answered in the Enrollment Guide, please feel free to contact your VMware authorized partner or the VPP team at www.vmware.com/go/contactvpp.

Q. I am logged into the Points Portal where I am able to see total accumulated points. I cannot, however, see the POs placed by my affiliates that make up this total. Where can I view my affiliate’s orders?

A. The Points Portal does not provided order details, only accumulated valid points for a VPP membership including all affiliates.

Q. Do my named Partners have access to my Points Portal and if so, what can they see?

A. Yes, your named Partners will have access to your Points Portal where they can view your accumulated points, earned discounts, and point’s roll-off schedule. Partners can also view your company and affiliate contacts. Your named Partners cannot however, edit or change any setting and nor can they see any specific purchase orders or prices you may have paid for VMware software.

Q. Who do I contact if I have problems with my Points Portal?

A. Please feel free to contact your VMware authorized partner or the VPP team at www.vmware.com/go/contactvpp.

Q. Can I change the name of my company after enrollment?

A. No, a company name cannot be changed after enrollment. However, if your company merged with or was acquired by another company, you may a request a change in name by contacting the VPP team at www.vmware.com/go/contactvpp.

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