

VMWARE VOLUME PURCHASING PROGRAM

Program Overview

The new accumulative VMware Volume Purchasing Program (VPP) provides incremental, tier-based discounts for VMware customers over a rolling two-year period.¹ The new accumulative VPP also offers online tools that VMware customers and their authorized affiliates can use to track and manage VPP memberships and discounts.

Key benefits:

- Receive financial incentives when you purchase VMware products in volume with discounts on eligible license products
- Achieve budget predictability since discounts are guaranteed for up to two years
- Simplify your acquisition of VMware software through a standardized purchasing program

Key features:

- Accumulative Program where qualifying purchases are aggregated (in the form of “Points”) over a rolling eight-quarter period²
- Discount Levels are earned automatically based on purchase volumes
- Easy-to-use online portals for membership enrollment and for tracking eligible discounts
- Globally consistent program rules that allows discount sharing between customers and their affiliates

VPP Discount Levels³

LEVEL	POINT RANGE	DISCOUNT
L1	250-599	4%
L2	600-999	6%
L3	1000-1749	9%
L4	1750+	12%

Membership Enrollment

The new VMware VPP online enrollment portal makes it easier than ever to become a VPP member. Visit the VPP Enrollment portal (<http://www.vmware.com/go/vpp-enroll>) to enroll as a new member or as an affiliate of an existing VPP customer. After a successful enrollment, you will receive an email with your VPP membership number and a link to online tools where you can view your membership details including accumulated points and earned discounts.

To receive VPP benefits, it is important that you provide your VPP membership number when placing your order.

¹ U.S. federal customers are eligible to receive volume discounts using their current program.

² VPP Points are assigned as a calculated value and vary by product. The point value of a given product is the same across all geographies.

³ Discounts are calculated off VMware published, then current, local MSRP prices.

Summary of VPP Program Features

ACCUMULATION & POINTS	
Entry Threshold	250 points minimum
Minimum Subsequent Purchase	None
Points Accumulation Period	Rolling 8 quarters
Points Roll-Off	Points earned in a given quarter will roll off the accumulated total on the first day of the 9th quarter ⁴
DISCOUNTS	
Discount Levels	4 discount levels ranging from 4%-12% for points values ranging from 250-1,750+ ⁵
Discounts Available On	License only
ELIGIBILITY	
Customers Who Can Participate	All customers ⁶
Partners Who Can Participate	Corporate reseller; global system integrator; OEM corporate reseller; and premier and enterprise level of the following: solution provider, system builder, and technology provider partners
Products That Contribute to Point Totals	Most VMware products and services except renewals
MEMBERSHIP INFO	
Membership Timeframe	Never expires, but a customer may be a VPP member with no active discounts in place ⁷
Affiliate Benefits	Qualified affiliates can share accumulated VPP points and earned discounts ⁸
ONLINE TOOLS	
Membership Enrollment	Online portal where customers (or partners, on behalf of a customer) can enroll for a VPP membership
Configurator	Online tool that helps a customer or partner determine eligible discounts and the appropriate VPP-eligible products to use on a PO
Points Portal	Online portal where an enrolled VPP customer or named partner can log in to view their accumulated points total and eligible discount level

⁴ VMware follows a fiscal calendar and quarter represents a fiscal quarter. For details please refer to the roll-off schedule

⁵ VPP discounts are directly correlated to a customer's accumulated points total. As accumulated points total changes, so may the eligible VPP discount level.

⁶ U.S. federal customers are eligible to receive volume discounts using their current program. Academic SKUs are not eligible for VPP.

⁷ VMware reserves the right to retire a VPP membership number if no initial purchases have been made against this membership number for two years.

⁸ The following criteria must be met to determine whether an affiliate is eligible to join a pre-existing VPP membership: (1) The affiliate is at least 50 percent owned by the parent; (2) The affiliate utilizes the purchasing department of, the parent company to purchase VMware product licenses; (3) The affiliate does not publicly trade on any stock exchange under its own stock ticker symbol.

Program Definitions

Customer Eligibility

Any VMware customer can enroll for a VPP membership via the online enrollment portal located at www.vmware.com/go/vpp-enroll.⁹

Partner Eligibility

Provided they are in good standing and are purchasing VMware branded products through a VMware Authorized Distributor, the following partner types may offer their eligible customers the benefits of VPP: Corporate Reseller, Global System Integrator, OEM Corporate Reseller, Premier, and the Enterprise level of Solution Provider, System Builder, Technology Provider partners.

VPP memberships are for end customers only. Distributors and Resellers are restricted from using VPP to order products for internal consumption.

Product Eligibility

Most VMware license and SnS products, except renewals, contribute towards customer qualification in VPP. However, VPP discounts are only applied to the license portion of a customer's purchase. Services and SnS renewals are excluded from discounting under the program.

Points

VMware has established and maintains a VPP point value for each available and eligible VMware product. For most products, one VPP point is roughly worth \$100 USD or a similar amount in local currency. Point values may vary. The list of products and points can be found using the VPP Configurator. Points cannot be redeemed for VMware products or services.

The point value of a given product is the same across all geographies. Points are rounded up to the nearest whole point. Points may deviate from our guideline for promotions.

Example: vSphere Enterprise Plus is worth 35 VPP points no matter where, or in what currency, the product was purchased.

Minimum Purchase Requirements

In order to qualify for a VPP discount and to accumulate points, a minimum subsequent purchase of 250 points or greater is required. Once a VPP customer has qualified for a VPP discount and maintains a balance minimum of 250 points, there is no minimum follow-on purchase requirement.

⁹ U.S. federal customers are eligible to receive volume discounts using their current program.

Discounts

Discounts are only offered for the license portion of the purchase. There are four levels of discount for which VPP members may qualify. As illustrated in the example below, Level 1 (L1) represents the entry-level discount, with Level 4 (L4) representing the highest level of discount offered in VPP.

Example:

LEVEL	POINT RANGE	DISCOUNT
L1	250-599	4%
L2	600-999	6%
L3	1000-1749	9%
L4	1750+	12%

How Points Translate to Discounts

To qualify for discounts, a VPP member must submit a PO worth 250 points or more. The points earned on this initial order will determine the first VPP discount level for which the customer is eligible.

As a VPP member places subsequent orders, all newly earned points will be added to the accumulated total to determine the new eligible discount level.

PURCHASE DATE	POINTS	ACCUMULATED TOTAL	DISCOUNT LEVEL
2/5/2017	500	500	L1
8/4/2017	600	1100	L2

Accumulation Period and Roll-Off

VPP allows qualifying customers' purchases to accumulate over a rolling two-year period. Starting with and including the quarter of the purchase date, earned points will roll off the accumulated total on the first day of the ninth quarter. Points are valid for up to eight 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:

PURCHASE DATE	POINTS	ACCUMULATED TOTAL POINTS	DISCOUNT LEVEL	POINTS ROLL OFF DATE
2/5/2017	500	500	L1	2/2/2019
8/4/2017	600	1100	L3	8/3/2019
2/2/2019	-500	600	L2	NA

Roll-off schedule

The table below shows the date on which VPP points roll-off. For example, purchases made between 2/4/2017 to 5/5/2017 will roll-off on 2/2/2019

VMWARE FISCAL QUARTER	PURCHASES MADE DURING	ROLL-OFF DATE
FY18Q2	4/1/2015 to 6/30/2015	5/6/2017
FY18Q3	7/1/2015 to 9/30/2015	8/5/2017
FY18Q4	10/1/2015 to 12/31/2015	11/4/2017
FY19Q1	1/1/2016 to 3/31/2016	2/3/2018
FY19Q2	4/1/2016 to 6/30/2016	5/5/2018
FY19Q3	7/1/2016 to 9/30/2016	8/4/2018
FY19Q4	10/01/2016 to 12/31/2016	11/3/2018
FY20Q1	1/1/2017 to 05/05/2017	2/2/2019

Affiliates

VPP customers may add their affiliates to their membership to utilize and benefit from their organization's discount level and global purchasing power. Once such a relationship is established, all valid points will accumulate with all members earning the same shared discount. As new affiliates are added over time, their valid points will be pooled into the organization.

Affiliates may become part of an organization's VPP membership, but these affiliate's software use is limited to the country where they been invoiced for the purchase of the software. However, if the affiliate has been invoiced within any of the European Union member states, the affiliate may deploy the software in any of the member countries.

To join a VPP membership, an affiliate must satisfy all of the following criteria: (1) The affiliate is at least 50 percent owned by the parent; (2) The affiliate utilizes the purchasing department of the parent company to purchase VMware product licenses; (3) The affiliate does not publicly trade on any stock exchange under its own stock ticker symbol.

VPP SKUs

A SKU is a number or string of alpha and numeric characters that uniquely identify a product. VMware provides VPP SKUs to our channel partners that will facilitate the PO process when using the VPP program. VPP SKUs are available for most VMware License products and must be used on a PO in order to qualify for VPP discounts when ordering VMware license products. Partners and customers can use the VPP configurator tool to determine the appropriate SKUs for a given customer's order.

Audit

VMware reserves the right to audit at any time the membership status of any customer or Affiliate and reserves the right to reject or request a refund of any benefits provided to such unauthorized companies when the stated criteria is not met.

Discount Flow

VMware does not set final prices or payment terms for licenses acquired through its resellers. Final prices and payment terms are determined by agreement between the customer and its reseller. VMware is not accountable if a reseller chooses not to pass on the VPP discount. VMware is not accountable if an order is submitted with an incorrect VPP membership number and thus, a customer does not receive the appropriate points. VMware reserves the rights to change the terms and benefits of the membership at any time, for any reason.

Tools

Enrollment Portal—Online portal where customers (or partners, on behalf of a customer) can enroll for a VPP membership. The following information is required at the time of enrollment: customer contact name, email address and your company name and address. A partner who enrolls on behalf of a customer must provide contact information for the end customer. The Enrollment portal is located at: www.vmware.com/go/vpp-enroll

Points Portal—Online portal where a VPP member can log in to view their accumulated points total, eligible discount level and all contact information for the customer, affiliate and partner contacts. Customers can provide points portal access to contacts within their company and to their preferred partner(s). The points portal is accessible to VPP members at www.vmware.com/go/vpp.

Configurator—Online tool that combines points from a customer's current accumulated points total to points from a new purchase (as submitted by the user) to determine eligible discounts and the appropriate VPP SKUs to use on a PO. The configurator is accessible to VPP members via the points portal.

Policies

Mergers and Divestitures

In the case where two VPP customers merge, the newly merged company will inherit the higher of the discount levels and points. VMware will not sum the accumulated points from each membership. In the case where two VPP customers undergo a divestiture, two new VPP memberships may be created assuming other program criteria are met. VMware will work with the Primary Membership Administrators to determine resulting VPP points for each membership. Discount levels pre-divestiture may be maintained for a period of one-year post-divestiture.

When Points are Reflected

Following the submission of an order from a VPP customer, any newly generated VPP points will be reflected on the customer's Points Portal within 72 hours.

Purchase Order Requirements

In order to expedite VPP orders, the following information is required to be present on the PO: (1) VPP membership number and VPP approved customer name; (2) If entity placing the order is an affiliate, please confirm that affiliate has permission to use the membership number; (3) VPP license SKUs (if applicable) at the correct and uniform discount level.

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Minimum Purchase Requirements

In order to qualify for a VPP discount and to accumulate points, a minimum purchase of 250 points or greater is required. Customers may not accumulate purchase to reach the 250 point minimum purchase requirement. As long as a VPP customer maintains a balance of at least 250 points in their points portal, there is no minimum re-order size.

Minimum Accumulated Point Total

VMware does not maintain accumulated points totals that fall below 250 points. A VPP member whose accumulated point's balances falls below 250 points does not qualify for a VPP discount. In this case, this customer must submit a PO worth 250 points or more to re-qualify for VPP discounts.

For More Information

To find out more about VPP, please visit the VPP home page at www.vmware.com/go/vpp or locate an authorized VMware partner near you at <http://partnerlocator.vmware.com/>



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