

IBM “Blue on Blue” Program Letter

Promotion Title: IBM Solution Accelerator

Promotion No: IPB12- 022Rev4

Eligibility

Business Partner Type: Registered IBM India partners who re sell STG and SW Products

Route : Full Duty Purchases Only. (All Zero Duty and High Sea Sale Purchases Excluded)

Qualifying Product : See Annexures on Eligible Products

The Offer:

IBM through Avnet is now offering the IBM Solution Accelerator Incentive that rewards the simultaneous sale of eligible IBM Servers and/or Storage with eligible IBM Software licenses to a single end user customer, in the same physical location. This announcement to reward greater cross-selling by IBM Business Partners will drive more solution selling and value to our clients to meet their business needs, increase leverage of the breadth and depth of IBM offerings, and ultimately increase IBM market share.

The purpose of this intent of this program is to encourage greater cross-selling by IBM Business Partners, drive greater solution content into the marketplace, and better leverage the breadth and depth of IBM's offerings. There are two incentive elements:

- Hardware/Software Base Incentive: 4% additional rebate (available by claim) on the eligible IBM System x, Storage, PureFlex System products and Power products (excluding PowerLinux), and a 11% additional rebate (available by claim) on the eligible IBM Software licenses, when the eligible IBM Servers and/or Storage models and IBM Software licenses are sold together to a single Solution Provider or Reseller.
- For claims that have an IBM Invoice date on or after 29th May 2012 the additional rebate on Power products (excluding PowerLinux), will be 4%
- Solution Bonus Incentive: An additional 7% rebate (available by claim) on the eligible IBM Software licenses can be claimed when the software products included meet the requirements of a predefined Solution Bundle. One or two Solution Providers or Resellers can be used to sell a Solution Bundle.

Promotion Specifications

- This program can be combined with the other system STG and SWG Programs.
- Where ever USD (\$) is mentioned in this document, Exchange Rate to be taken at Rs.45/- to get equivalent Indian Rupee value. However this exchange rate may vary subject to market fluctuations & the same shall be notified to the partners.

To qualify for the incentive:

- Solution Provider or Resellers must sell an eligible IBM Server and/or Storage model together with IBM Software licenses to an end user customer via a single order. The Solution Provider or Reseller can invoice the hardware/software separately, but they must provide both invoices, both must be for the same end user name & location in a country and the two invoices must be dated within 15 days of each other. See “Annexure” section for eligible product details for the Base Incentive. Any combination of qualifying IBM Servers and/or Storage models and IBM Software license are eligible.
- Two Solution Providers or Resellers can work together for the End User Customer sale of a Solution Bundle to receive the Bonus Incentive. They can invoice the hardware/software separately, but they must provide both invoices, both must show the same end user name & location in the same country

and the two invoices must be dated within 15 days of each other. See “Annexure” section for the defined eligible Solution Bundles.

- Sales to public sector and/or government owned entity End Users are also eligible.
- The minimum total transaction size must be at least US\$20K (approx. 9 Lacs INR; but subject to USD fluctuations) of eligible IBM Servers and/or Storage models and IBM Software licenses. There is no maximum claim limit.
- Solution Provider or Resellers must be authorised to sell all Hardware and/or Software products for which they will claim this incentive. Eligible Hardware and Software products may be sourced from one or more authorized Distributors.

Incentive Calculation:

- 1) Minimum transaction size is US\$20K.
- 2) Hardware transaction revenue used to determine the transaction size and bonus calculation is based on the net amount invoiced by Avnet to partner for the eligible products. Software transaction revenue for transaction size and bonus calculation is the Software End User Entitled Price, billed to partner.
- 3) Hardware and Software must each be at least 30% of the eligible revenue. If the ratio is less than 30%, the Hardware and Software rebate will be capped at the 30% revenue level.

Example 1: No cap

If \$100K claim consists of \$30K hardware and \$70K software, the ratio of hardware to software is at the 30%/70% ratio.

Earnings of \$8.9K ($\$30K \times 4\%$ plus $\$70K \times 11\%$).

Example 2: No cap

If \$100K claim consists of \$70K hardware and \$30K software, the ratio of hardware to software is at the 30%/70% ratio.

Earnings of \$6.1K ($\$70K \times 4\%$ plus $\$30K \times 11\%$).

Example 3: Capped rebate

If \$100K claim consists of \$15K hardware and \$85K software (which is not in 30%/70% ratio), the lesser value component will be taken at 30% and hence the software component will be adjusted downward to \$35K, so that the ratio of hardware to software realigns at 30%/70% ratio. And, in this example that adjustment results in \$50K total claim, which meets the minimum claim requirement.

Earnings of \$4.45K ($\$15K \times 4\%$ plus $\$35K \times 11\%$)

If the adjustment resulted in less than \$20K total, the claim would be denied.

Example 4: Capped rebate

If \$100K claim consists of \$85K hardware and \$15K software (which is not in 30%/70% ratio), the lesser value component will be taken at 30% and hence the hardware component will be adjusted downward to \$35K, so that the ratio of hardware to software realigns at 30%/70% ratio. And, in this example that adjustment results in \$50K total claim, which meets the minimum claim requirement.

Earnings of \$3.05K ($\$35K \times 4\%$ plus $\$15K \times 11\%$)

If the adjustment resulted in less than \$20K total, the claim would be denied.

Example 5: Capped rebate

If \$100K claim consists of \$97K hardware and \$3K software (which is not in 30%/70% ratio), the lesser value component will be taken at 30% and hence the hardware component will be adjusted downward to \$7K, so that the ratio of hardware to software realigns at 30% - 70% ratio. And, in this example that adjustment results in \$10K total claim, which is less than the required minimum of \$20K total, therefore the claim would be denied.

Example 6: Capped rebate with Solution Bundle Bonus

If \$100K claim consists of \$15K hardware and \$85K software (which is not in 30%/70% ratio), the lesser value component will be taken at 30% and hence the software component will be adjusted downward to \$35K, so that the ratio of hardware to software realigns at 30%/70% ratio.

If the software component meets the requirements of one of the pre-defined Solution Bundles, the software will also apply for the Bundle Bonus. And, in this example that adjustment results in \$50K total claim, which meets the minimum claim requirement.

Earnings of \$6.5K (\$15K x 4% plus \$35K x 18%)

If the adjustment resulted in less than \$20K total, the claim would be denied.

Promotion Period

Start date : 7th March'2012

End date : 31st December' 2012

Eligible products

Includes:

- All features included in the base configuration
- Products sold under special bid terms (including frame agreement and IVO offerings)
- Products sold under demonstration or development terms
- Orders for Try and Buy equipment until such time that the end-user purchases the product
- Products sold under a Transaction Agreement
- Bulk MES Products
- Internal use Products
- Model Upgrades and 'after market' (MES) orders for features
- SDI products
- Used equipment
- Software subscription products

Excludes:

- Part Number Options sold along with the IBM server and/or Storage models
- SWG software sold with ELA contract
- SWG software in Passport Advantage Band I or J
- SWG Support Provider revenue is excluded.

This promotion is combinable with all other discounts and rebates on the eligible products.

How to claim

- The partner must submit a claim to Avnet in the prescribed format within 10 days of the End User Invoice date with all supporting documents as listed below. IBM will reimburse Avnet when all the claims are verified & approved by IBM. Business Partner to please ensure the documents clearly state the date, amount and product model of the purchase made.
- If a Solution Provider or Reseller acquires qualifying IBM Servers and/or Storage from one IBM authorised Distributor and the IBM Software licenses from a second IBM authorised Distributor, then the Software Distributor will submit a consolidated and single claim to IBM, including the Hardware Machine Types/Part Numbers and Serial Numbers purchased from the Hardware Distributor. Once the claim is validated by IBM, the Hardware component of the claim will be paid to the Hardware Distributor, while the Software component of the claim will be paid to the Software Distributor.

- If two Solution Providers or Resellers are working together to provide the “Solution Bundle”, they must work together to provide all the details required for the claim to the Software Distributor.
- Any late submission will not be entertained.
- Softcopy supporting documents are not acceptable.

Supporting documents required:

- Separate Debit note / Invoice on Avnet Technology Solutions (India) Pvt Ltd to claim the rebate.
- Copy of signed Delivery challan/Invoice from Avnet to partner & partner to end customer along with the claim for the corresponding promotional offer.

Note: Please mention the PAN NO. in all the Debit notes

The reimbursement will be subject to submission original/copies of the bills for amounts incurred and will be the lower of the amount eligible or the amount actually spent.

It is mandatory to mention the Machine Type-Model or Serial Number in either the claim form or supporting documents.

Payment

- The earned bonus amount will be paid by Avnet to the partner(s) within 90 days of receiving complete and accurate documentation for the claim.
- It is the Business Partner Reseller or Solution Providers responsibility to agree any terms upon which the incentive payment is to be split.
- The rebate shall be paid through cheque/demand draft after deducting TDS/withholding tax as applicable from Business Partner.

Additional information/conditions

- IBM reserves the right to request additional information concerning the relevant transactions at any time and to reject requests which the eligibility criteria is not met.
- You must provide accurate sales out reporting for IBM to calculate your attainment and payment.
- This Program rebate is in addition to the base discount that the partner would normally receive for these products as specified in the applicable IBM Business Partner Agreement.
- If IBM determines during its audit activities that the relevant transaction(s) do not qualify for the Program, in addition and without prejudice to any rights IBM may have under the Business Partner Agreement or otherwise in law in respect of such transaction (s), the relevant discounts shall become repayable to IBM and IBM may recover such sums directly from the Business Partners.
- IBM makes no commitment that this promotional discount/rebate will apply in any future program.
- IBM reserves the right to modify or withdraw this promotion at any time.
- IBM has the right to terminate the participation of any partner in this program if they fail to comply with the above process.

ANNEXURE I

Eligible IBM STG Hardware

IBM Power Systems	Part Nos.		IBM System x	Part Nos.		IBM PureSystems	Part Nos.
PS700	8406-70Y		HS22	7870		IBM Flex System x240 Compute Node	8737
PS701/702	8406-71Y		HS23	7875		IBM Flex System Enterprise Chassis	8721
PS703	7891-73X		HS22V	7871		IBM Flex System Manager Node	8731
PS704	7891-74X		HX5	7873		IBM Flex System Manager	5641
Power 710	8231-E1C		x3630M3	7377		IBM Flex System p260 & p460 Compute Nodes	7895
Power 720	8202-E4C		x3550M3/M4	7944, 7914		IBM Flex System x240 Compute Node	7863
Power 730	8231-E2C		x3650M3/M4	7945, 7915		IBM Flex System Enterprise Chassis	7893
Power 740	8205-E6C		x3850X5	7143		IBM Flex System Manager Node	7955
Power 750	8233-E8B		x3950X5	7143		IBM Flex System Manager	5765
Power 770	9117-MMC		x3690X5				
Power 780	9179-MHC						
Power 795	9119-FHB						
IBM Storage Systems	Part Nos.		IBM BladeCenter	Part Nos.		IBM BNT Top of Rack Switches	Part Nos.
DS3500	1746		S	8886		G8000	0446, 7309
V7000	2076		E	8677		G8124E	0446
V7000	2073		H	8852		G8052	7309, 1455-48E
V7000 SW	5639-VM1		HT DC	8740		G8316	7309, 8036
V7000 SW	5639-VF1		HT AC	8750		G8124	7309, 1455-24E
						G8264	7309, 1455-64C

ANNEXURE II

Eligible IBM Software

Open Products: All SVP open products

Authorised Products: Selected SVP Authorised Products (See List Below)

•Business Process Manager	•InfoSphere BigInsights Enterprise Edition	•Sterling Connect: Express
•Cognos Business Intelligence	•InfoSphere Discovery	•Sterling Connect: Direct
•Cognos Express	•InfoSphere Optim Family	•Sterling Control Center
•Cognos FSR	•InfoSphere Streams	•Sterling File Gateway
•Cognos Mobile	•InfoSphere Warehouse	•Sterling Gentran
•Cognos TM1	•Lotus Protector for Mail	•Sterling Gentran: Director
•Collaboration Accelerator	•Lotus Quickr	•Sterling Order Management
•Connections	•Mobile Portal Accelerator	•Sterling Secure Proxy
•Content Accelerator	•MQ File Transfer Edition	•Sterling Supply Chain Vendor Comp.
•Content Manager On Demand	•Netcool OMNIbus & Network Mgr	•Sterling Supply Chain Visibility
(CMOD)	•Netcool ONMIbus	•Tivoli Endpoint Manager (TEM) Family
•Customer Experience Suite	•Omnifind Discovery Edition	•Tivoli Monitoring
•DataCap TaskMaster	•Product Imaging Edition (PIE)	•Tivoli Monitoring for Virtual Environments
•DB2 Connect	•Rational Application Developer	•Tivoli Provisioning Manager
•DB2 Enterprise Server Family	•Rational Functional Tester	•Tivoli Storage Productivity Ctr Std Edition (TPC SE)
•DB2 Everyplace	•Rational Performance Tester	•Unica Campaign
•DB2 PureScale or PureCluster	•Rational Requirements Composer	•Web Content Management
•DB2 Storage Optimization	•Sametime Advanced	•WebSphere Cast Iron
•DB2 WorkGroup	•Sametime Unified Telephony	•WebSphere Commerce
•Domino Messaging CAL	•Smart Analytics Sys 5710 SW	•WebSphere Dashboard
•Domino Server	•Smart Cloud Monitoring (SCM)	•WebSphere Enterprise Service Bus
•FileNet Content Manager	•SmartCloud Control Desk	•WebSphere eXtreme Scale
•Forms Designer	•SmartCloud Provisioning (SCP)	•WebSphere Message Broker
•Forms Server	•SPSS Collab and Deploy Services	•WebSphere MQ
•Forms Viewer	•SPSS Modeler	•WebSphere MQ Low Latency Msg
•Information Server Family	•SPSS Statistics	•WebSphere Operational Decision Mgmt
•Informix DB Family	•Sterling B2B Integrator	•WebSphere Portal
•Informix Warehouse	•Sterling Configure Price Quote	•WebSphere Services Registry & Repository

ANNEXURE III

Eligible IBM Solutions Definitions

Optimize Business Infrastructure	Server	Storage	SWG
Storage Resource Management	Y	DS3500 V7000	Tivoli Storage Productivity Center Std. Edition
Rapid Application Storage		V7000	Flash Copy Mgr
See Your Systems - Find the Change	Y		CCMDB, TADDM
Server Patch Management	Y		TEM Patch Mgt
Server Lifecycle Management	Y		TEM Lifecycle Mgt
Resilient Cloud	Y		Smart Cloud Provisioning , Smart Cloud Monitoring
Pre-emptive Compliance	Y		Netcool, TUAM
Cloud Assurance	Y		Smart Cloud Monitoring, Netcool, TUAM
Accelerate Product & Service Innovation	Server	Storage	SWG
Developer Productivity	Y		Rational Compilers, Rational Developer Power
Application Lifecycle Management	Y		Rational Requirements Composer, Rational Team Concert
Turn Information into Insight	Server	Storage	SWG
Life Cycle Management	Y		Optim, any DB product
Integrated Application Platform	Y		WebSphere Application Server, DB2
IBM Analytics Server	Y		InfoSphere Warehouse, Information Server, Cognos
Analytics & Informix Warehouse	Y		Cognos Express with Insights , Informix Warehouse
Manage Risk, Security & Compliance	Server	Storage	SWG
TKLM	Y		Tivoli Key Life Cycle Manager
Server Security Protection	Y		Server Security Protection
Virtual Server Protection	Y		Virtual Server Protection
Enable Agile Business Processes & Applications	Server	Storage	SWG
Application runtime	Y	DS3500 V7000	WAS + DB2
Broker for SMB	Y	V7000	Message Broker Exp + ITCAM for MS Apps
Cloud Integration	Y		CI Appliance/HV + BlueWorks Live
Application Integration	Y		WebSphere ESB + WebSphere Portal +Adapters
Extreme Application Caching	Y		WAS + WXS + DB2

Runtime Analytics	Y		WAS + Cognos Exp
Runtime Analytics	Y		CI + BlueWorks Live + Cognos Exp
Mobile framework	Y		Tivoli End point Manager + Cognos Exp
Deepen Engagement with Customers, Partners & Employees	Server	Storage	SWG
Social Local Mobile Coll. (SoLoMo)	Y		Notes w/ Collaboration, Mobile Portal Accelerator, Connections
Web Experience Gets Social	Y		Portal, WCM, Connections
Accelerate Your Soc. Bus. Agenda	Y		Connections
Social Business in the Cloud	Y		IBM SmartCloud for Social Business
Social Analytics	Y		Cognos, Connections
Social Content	Y		ECM, Connections
Social WebSphere	Y		WebSphere, Connections
MM Social Business	Y		Lotus Domino/Notes Lotus Protector, WS Portal Express
Business Analytics	Server	Storage	SWG
Integrated Business Analytics and Advance Analytics for Midmarket and Departmental	Y		IBM Cognos Express + SPSS Modeler (Midmarket & Departmental) Portal, WCM, Connections
Analytics & Informix Warehouse	Y		Cognos Express with Insights & Informix Warehouse
IBM Analytics Server	Y		InfoSphere Warehouse & Information Server & Cognos 10 / Cognos Express
Social Business Analytics	Y		Lotus Connections + Cognos
Runtime Analytics	Y		WAS + Cognos Express
Cloud Starter pack	Y		CI + BWL + Cognos Expressbbb
Mobile framework	Y		BigFix + Cognos Express
Asset Management Analytics	Y		Tivoli Common Reporting + Cognos or SPSS
Enterprise Marketing Analytics	Y		Unica and Cognos 10 or SPSS
Smarter Commerce Analytics	Y		Sterling and Cognos 10 or SPSS
Industry Solutions	Server	Storage	SWG
EMM Digital Marketing (Email Campaigns)	Y		Unica Campaign
ECM Content Manager	Y		ECM Content Manager
B2B Business Solutions	Y	DS3500 V7000	Sterling B2B Integration; GenTran: ConnectDirect; MFT
Commerce Solutions	Y	DS3500 V7000	WebSphere Commerce; Configure Price Quote Order Management; Supply Chain
Optimization	Y	V7000	iLog Optimization
* Open Distribution Software			
* Server = Y denotes required content (x or Power)			