Software Value Incentive

Business Partners Operations Guide
Europe, Middle East and Africa

February 2017

Version 4.4

This guide and updated versions will be posted on the IBM PartnerWorld® website. Please check the Partner World® Software Value Incentive pages on: http://www.ibm.com/partnerworld/softwarevalueincentive for the most current version of this guide.

Significant changes in this version of the Operations Guide

V4.4

- Effective February 1st, 2017:removed the 15 days rule under “Eligible Opportunity” on P.18 and addition of “Business Partners should be aware that submission of opportunities does not imply approval, and orders processed prior to approval of SVI do not necessarily grant an SVI incentive. BPs are encouraged to submit opportunities as early in the sell cycle as possible to give IBM time for processing and responses. The earlier the submission, the more likely that the BP will have full understanding of the status of the request including duplicate opportunities and IBM’s analysis of the GOE status of the user. This latter is quite important as SVI cannot be granted to a sale to a GOE user.”
- Effective February 1st, 2017: removed the reference to the 15 days rules across the guide.
- Appendix F – BANT template. Section 7 updated to remove the 15 days rule.
- Appendix I – Software as a Service (SaaS) and SVI: effective January 17 bullets replaced by “For an IBM Billing Order Date on or after January 1st, 2017, if the term of the subscription is less than 12 months, the invoice is ineligible for SVI fee payment. / For an IBM Billing Order Date on or after January 1st, 2017, the maximum SVI fee payment for SaaS opportunities is changed to 150,000 USD per Business Partner per transaction. / For New claims submitted on or after January 1st, 2017, IBM will stop paying SVI fee payments if the SaaS subscription is in a renewal period or in continuous billing. Claims submitted before January 1st, 2017, with an IBM Billing Order Date on or after April 1st, 2017 are not eligible for SVI fee payments on SaaS renewals or continuous billing.”
- Appendix L - End User Determination Appeal Process: point b) reworded: The Business Partner has sources of information which show that the End User can be classified as a non Government Owned Entity according to IBM's definition.

PREFACE

Software Value Incentive (SVI) is an IBM initiative designed to reward Business Partners for the value that they contribute in each of the various stages of a sale. Software Value Incentive was created to build the most value-oriented Business Partner ecosystem in the marketplace, which is highly committed to IBM software technology and leveraged every day for significant mutual share, revenue and profit growth. This initiative was designed to allow Business Partners to be recognized and earn financial rewards based on their performance in the opportunity identification and sale steps of the sales cycle.

The purpose of this guide is to provide business rules and an overview of how to apply for Software Value Incentive (SVI) and how to submit and progress opportunities through to payment of SVI fees. This guide is specifically oriented toward the Identify and Sell components of SVI. The Solution component of SVI is addressed in a separate operations guide, “Business Partner Operations Guide for Solution Incentive”.

Further details of operational procedures are given in the Software Value Incentive Supplement which can also be found on the Partner World® Software Value Incentive pages at: http://www.ibm.com/partnerworld/softwarevalueincentive

OVERVIEW

Software Value Incentive (SVI) recognizes Business Partners for their performance in the opportunity identification and sell steps of the sales cycle.

SVI has two elements:

- An opportunity identification incentive (Identify incentive fee) for identifying and qualifying new customer opportunities for IBM Software Group (SWG) products.

- A sell incentive (Sell incentive fee) for developing and delivering compelling value propositions proofs of concept, etc. that result in customers selecting IBM SWG products.

Each element has two components:

- A base fee for all Eligible Transactions

- A premium fee for transactions sold to end users that are designated by IBM as general businesses (GB Accounts) i.e. Enterprise Non-Select or Commercial

Incentive fees are paid directly to the Business Partner.

SVI also has a Solution Incentive offering; however that offering is not addressed in this guide. For further information about the Solution Incentive, see "Business Partner Operations Guide for Solution Incentive", which is available on the IBM PartnerWorld® website. To access this guide, go to the Software ValuePlus home page at http://www.ibm.com/partnerworld/softwarevalueplus and then choose the Industry Authorization tab, follow the link to details, and select the Resources tab.

SVI leverages an opportunity registration system, Global Partner Portal that allows Business Partners to identify and progress to closure new opportunities for IBM software technology

The first Business Partner to register and submit a validated opportunity to IBM for SVI eligibility determination, where the opportunity was not previously registered by IBM, will be eligible to receive the SVI Identify and Sell incentive fees for this opportunity. If IBM had previously registered the opportunity then the first Business Partner that submits a validated registered opportunity for SVI eligibility determination, where the Business Partner is either assigned the opportunity by IBM or is listed as a 'sales resource' for the opportunity by IBM, will be eligible to receive the SVI Sell incentive fee but not the Identify Incentive fee. To be approved and receive any Identify and or Sell fee payment:

- Business Partners must demonstrate active selling engagement with the customer for the IBM products by providing supporting documentation that shows their activities that contributed to the customer's decision (Eligible Sales Documentation).

- The customer must complete the acquisition of the products.

SVI fees are earned independently of how the transaction is fulfilled.

Eligible opportunities will be considered eligible for incentive fees for 270 calendar days (approximately nine months) from the date they are submitted for SVI Eligibility

On or before the Expiration Date, the opportunity must be closed as Won in the opportunity registration system (Global Partner Portal) and the Business Partner must submit the opportunity to IBM for SVI payment request.

Business Partners may earn incentives in addition to SVI from their compensation from fulfillment or logistics services value add. Business Partners who are investing time in developing solutions that include selected IBM middleware can invest their sales time with the confidence that they will earn incentives when the customer acquires the IBM products.

If the Business Partner requests assistance, additional IBM resources may be assigned to help close or expand the opportunity.

SVI is complementary with certain other IBM offerings, such as Software Value Plus - Authorized Distribution and Value Advantage Plus. However, SVI is mutually exclusive with other IBM software programs and offerings. Refer to section “Mutually Exclusive Programs and Offerings” in this Guide for further details.

RELATIONSHIPS WITH OTHER PROGRAMS

This section describes the relationship between SVI and other IBM channel incentive offerings and distribution models.

IBM Software Value Plus

IBM Software Value Plus offers distributions models that maximize Business Partner Profits for reselling IBM Software. IBM Software Value Plus organizes all IBM Software Group products into Open products and Authorized products. All IBM Business Partners may resell Open Products. Business Partners who wish to resell Authorized products must obtain authorization from IBM. Authorization is achieved at the Product Group level.

Authorized distribution does not apply in certain countries. They remain in Open Distribution. Appendix B in this document provides information on which countries these are, and how the SVI rules differ for those countries.

Further information about IBM Software Value Plus is available at http://www.ibm.com/partnerworld/softwarevalueplus,

Authorized distribution consists of products belonging to Product Groups as defined on the BM Software Value Plus website as cited above.

SVI is one of two possible prerequisites which are part of the requirements for a Business Partner to become authorized to resell products in a specific Product Group. (The second is IBM Value Advantage Plus.)

Business Partners should therefore first enroll in SVI and become authorized for one or more Product Groups. If those Products Groups are part of Authorized distribution (as opposed to Product Groups in open distribution) they may then complete the other requirements to obtain authorization to resell these products.

IBM Value Advantage Plus

Value Advantage Plus is an IBM initiative designed to financially reward Business Partners who deliver solutions through applications and services. If these solutions are built to operate on IBM Software, they may be approved and qualify for financial incentives for the specific IBM software when it is sold by the Business Partner as part of their solution. For more information, visit the PartnerWorld® Value Advantage Plus pages at http://www.ibm.com/partnerworld/valueadvantageplus. The Value Advantage Plus rebate is paid through the Business Partner's preferred distributor whereas eligible SVI fees are paid directly to the Business Partner.

Business Partners are encouraged to participate in both SVI and the Value Advantage Plus initiative.

Because the Value Advantage Plus initiative already provides a reward for Business Partner sales effort, Business Partners are not eligible to receive both Value Advantage Plus rewards and the SVI Sell incentive fee for the same product sale. They can be eligible for Value Advantage Plus rewards and the SVI Identify incentive fee if they meet the SVI eligibility submission rules for Identify and Sell fees and are approved for SVI fee payments.

In addition, because selling a solution and receiving the Value Advantage Plus initiative rebate is effective proof of the Business Partner involvement in the sales cycle, the requirement to provide Eligible Sales Documentation for that part of the opportunity where the

SVI Business Partner received the Value Advantage Plus rebate is waived; see section "Complete Sales Process" for further details.

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IBM Value Advantage Plus for Government Sales

Value Advantage Plus for Government Sales is an incentive program for resellers of IBM middleware and who sell IBM authorized software products to government customers. It is designed to reward Business Partners for the role they play and the value their business brings throughout different stages of the sales cycle - opportunity registration through Global Partner Portal and selling IBM middleware to government customers.

Business Partners are encouraged to participate in both SVI and IBM Value Advantage Plus for Government Sales, however these two initiatives are mutually exclusive at the opportunity level, since government opportunities are not eligible for SVI, and only government opportunities are eligible for IBM Value Advantage Plus for Government Sales.

IBM SVP Plus

IBM SVP Plus is an offering designed to benefit Business Partners for the role they play and the value they bring when they identify opportunities and sell IBM software to customers through one of IBM's value programs.

IBM Business Partners who have been approved in IBM SVP Plus, will not be required to provide value-add sales documentation on a SVI claim where they have identified the opportunity and fulfilled the order through their preferred distributor.
For additional details on IBM SVP Plus, please visit www.ibm.com/partnerworld/svpplus

MUTUALLY EXCLUSIVE PROGRAMS AND RELATIONSHIPS

Business Partners are not eligible to receive fee payments for the same value-add under more than one program. The following IBM offering is mutually exclusive with SVI:

- SaaS Products involved in the **Smarter Commerce SaaS Referral Incentive for Business Partners**

If any part of the Business Partner's Enterprise is participating in this offering, the Business Partner is not eligible for Software Value Incentive.

Software Value Incentive uses the PartnerWorld Agreement definition for 'Enterprise'. Enterprise is defined as 'any legal entity and the subsidiaries it owns by more than 50 percent.'

The PartnerWorld agreement can be found at https://www-304.ibm.com/partnerworld/wps/servlet/ContentHandler/isv_agr_PWBGT

When Business Partners are participating in this mutually exclusive offering and they have already been approved to participate in SVI, they must notify the IBM in an e-mail to the contact point for their country as listed in the section titled **Contacts.** Failure to notify IBM of participation in a mutually exclusive offering may result in termination from Software Value Incentive.

Effective March 1, 2012, Global Systems Integrators (GSI) can apply for Software Value Incentive. However, the GSI must be the fulfilling Business Partner on the SVI opportunity in order to remain in SVI and receive a fee.

SVI PARTICIPATION REQUIREMENTS

This section outlines the requirements for Business Partners to participate in SVI. Participation is at the country level, so Business Partners need to enroll and be approved individually for every country in which they wish to participate in SVI.

There are participation requirements at both the overall level and at the Product Group level for SVI, in other words Business Partners must be approved overall, and then approved individually for each Product Group for which they wish to participate in SVI. A Product Group is one of the following:

- Those that participate in Authorized distribution which are part of Software Value Plus
- Those that are in open distribution within a brand; the open Product Groups are Analytics - Cloud Open, Analytics - Platform Open, Analytics - Solutions Open, Cloud Open, Commerce Open, Healthcare Open, Internet of Things Open, Other Open, Security Open, Systems - Storage Open, Systems - Middleware Open, and Watson Open

Overall Participation

To participate in Software Value Incentive, Business Partners must meet the following criteria:

- Be an approved member in IBM PartnerWorld®, at any level; and
- Become authorized for SVI in at least one Product Group (see following section for details)
- Agree to the SVI Terms and Conditions, submit the SVI enrollment form; and
- Be approved by IBM for SVI participation

Skills Approval Zones

Skill Approval Zones have been used in SVI since January 2013. Skills will be validated within a collection of countries instead of a single country for an IBM Business Partner Firm. Skills Approval Zones will utilize the existing PartnerWorld® WorldWide Enterprise function.

There will be three 'Skills Approval Zones'

- Asia Pacific
- EMEA (Europe/Middle East Africa)
- Americas ((Latin America/North America)

When a Business Partner applies for SVI, their combined certifications within the 'Skills Approval Zone' will be used to validate certifications. As an example:

Business Partner Company A has a legal presence in France and Spain and they have previously requested that PartnerWorld® Contact Services (www.ibm.com/partnerworld/contact) associate their two Company Ids to one WorldWide Enterprise id. They apply for Watson Product Group in SVI in Spain. Geography Operations reviews their certifications and finds that 1 Sales Mastery is assigned to their French profile in PartnerWorld® Profiling System (PPS) and 2 technical certifications are assigned to their Spanish profile in PPS. Geography Operations will combine the certifications in the two profiles to 'approve' the Business Partner Company for Watson Product Group in Spain.

If the Business Partner Company also applies for Watson Product Group in France, the same process will be used to approve the Business Partner for Watson Product Group in France.

It is the Business Partner responsibility to work with PWCS to set up the World Wide Enterprise structure. Following is the process:

1. Send an email to PWCS asking for the CE ID(s) to be associated to a WW Enterprise ID. PWCS will require the following:
   - The WWE ID.
   - The full Company Name(s) and the respective CE IDs that are to be linked under the WWE ID.

   In cases where multiple CE IDs are being requested to be associated to a WW Enterprise ID, PWCS will also require the following:
   - A clear indication of which company name and CE ID corresponds to the Headquarters.
   - Confirmation that one of the companies being associated owns at least 50% of the other companies being associated.
   - Documentary evidence of the above. PWCS will require physical proof that one company owns at least 50% of the other companies.

This process can take 3 to 5 business days, as the PWCS team has to verify, approve and associate the CE ID(s).

The decision of WW Enterprise set up is solely up to the discretion of PartnerWorld®. SVI Geography Operations do not have any input into any decisions made by the PartnerWorld® team.

Countries associated with the ‘Skill Approval Zones’ are included in Appendix H.

Authorization for a Product Group

Business Partners applying for SVI in countries which are still considered in Open Distribution, have unique rules for authorization at the Product Group level; see Appendix B for further details.

To be authorized to submit SVI opportunities for the products in a specific Product Group, the Business Partner must be approved to participate in SVI and:

- For products which are part of Software Value Plus: have at least one (1) qualifying sales mastery and at least two (2) qualifying technical certifications and/or technical sales mastery in that Product Group
- For products in open distribution have at least one (1) qualifying sales mastery and at least two (2) qualifying technical certifications and/or technical sales mastery in that product’s Brand

The list of which certifications and their associated Product Groups for Software Value Plus can be found on the Eligible Skills Table at http://www-03.ibm.com/certify/partner/mem/europe/en/mem_skillsreq.shtml.

The following rules apply to how certifications are counted for authorization at the Product Group level for SVI:
   - The PartnerWorld® requirement that only a maximum of 5 skill points per person will be counted is waived for SVI. One person in the Business Partner company may hold all three certifications required for SVI Product Group approval.
   - The certifications do not have to be unique, i.e. two people in the Business Partner company may have the same certification

- Certifications that qualify for a Product Group in Authorized distribution will also qualify for that 'Brand'/Division for products in open distribution.
- If a certification applies to more than one Product Group then an individual's achievement of that certification can be used to qualify for each of those Product Groups

Business Partner Employee Requirements

Business Partner certifications must be earned and retained by a Full-time Resource of the Business Partner organization. "Full-time Resource" means a Business Partner employee, or an independent contractor, consultant or agent who has been and will continue to be working in support of the Business Partner's business activities for a minimum of 32 hours per week. See: http://www-03.ibm.com/certify/partner/mem/europe/en/srep.shtml

Reviewing Certification Status

The Business Partner Authorized Profile Administrator of the HQ location may review the status of certifications at any time by signing in to the IBM PartnerWorld® profile. Detailed instructions to do this are as follows:

1. Log in to Business Partner Profile in the Partner Profiling System at www.ibm.com/partnerworld/partnertools.
2. Go to Country Enterprise record.
3. Click on PartnerWorld® level Summary.
4. Click on "Click here to see how skills are counted towards level attainment".
5. Click on "View Skills Summary report for all employees for all locations within the enterprise".
6. Find the Counts toward Premier/Advanced Level column.
7. Scan the column for sales or technical software certifications.

Technical certifications which are current will have the word "Technical" next to the name of the certification on the employee profile. If the word "Technical" does not appear, then the certification is no longer current and does not fulfill the certification requirement for the Product Group.

Sales Masteries which are current will have the word "Sales" next to the name of the mastery on the employee profile. If the world "Sales" does not appear, then the mastery is no longer current and does not fulfill the 'sales' requirement for the Product Group.

Questions may also be addressed to www.ibm.com/partnerworld/contact for further help on reviewing certifications.

As an alternative, the APA in the headquarter location can download a Skills Report by doing the following:

1. Log in to Business Partner Profile in the Partner Profiling System at www.ibm.com/partnerworld/partnertools.
2. Go to Country Enterprise record.
3. Click on Reports
4. Click on Skills Reports
5. Select fields and download for review

Records Retention

Business Partners must retain records that support transactions and records which pertain to the collection of SVI Identify and Sell fees.

For business review purposes, Business Partners must retain and make these records available for three years from the date of related transaction or fee payment. They may, however, retain additional documents that they deem necessary.

At a minimum, a Business Partner participating in Software Value Incentive, SVP Solution or other value-add incentives, that resells software to end users must retain copies of invoices to, or other legal documents (e.g., contracts) with the end users for solutions that identify IBM software included in the SVI transactions.

For sales where the SVI Business Partner refers end users to IBM or another Business Partner for software fulfillment, the SVI Business Partner must retain copies of their Eligible Sales Documentation and other legal documents (e.g., contracts) with the end users for the associated SVI transactions.

DEFINITIONS

Public Sector End User

Public Sector End User (also referred to as Government Owned Entity or "GOE") as defined in the IBM PartnerWorld Agreement – International Software Value Incentive Attachment.

A key consideration in the IBM determination process is the extent to which a GOE has the authority to control how a customer conducts some or all of its activities. IBM will consider that control exists where a GOE has a majority interest in a customer. Control could also exist in other situations, including where a GOE:

(i) is the largest shareholder in a customer;
(ii) has board or voting control of a customer (e.g., holds a "golden share");
(iii) has appointed the customer CEO, President, or other senior management; or
(iv) has an otherwise meaningful ownership interest in a customer. IBM considers a 25% ownership interest to be generally meaningful.

The following entities are not GOEs: privately-owned and controlled utility companies, hospitals, and research institutes that operate using non-government funds.

Cases which IBM is unable to definitively determine whether a customer is commercial or GOE will be treated as GOE.

Eligible End Users

Eligible End Users include anyone in the country for which the Business Partner has been SVI approved, who is not part of the Business Partner's enterprise and who is acquiring products for their own use and not for resale.

The following exclusions apply:

- Government Owned Entities are ineligible End Users.
- IBM Corporation or any entity which IBM owns more than 50% is an ineligible End User for SVI.
- Business Partners that acquire products, directly from IBM or a Distributor via the "IBM International Passport Advantage Agreement - Attachment for Service Providers (xSP)" to enable information technology services (e.g., web hosting services) to third party customer end users outside their own Enterprise are not eligible to receive SVI fees for these products when they have been acquired for their own use.

If an opportunity is approved for SVI eligibility, but later in the SVI review process it is determined that the end user is ineligible, then the transaction becomes ineligible immediately. SVI fee payments made in error to ineligible transactions are subject to recovery.

General Business End Users

General Business (GB) End Users are those end users that IBM designates as Enterprise Non-Select or Commercial. The designation will be based on the status of the End User as of the date on which IBM submits the opportunity for payment processing.

Premium SVI fees are paid to Eligible Opportunities when the end user is a General Business End User.

For further information on how to determine whether an end user is a GB End User, consult the How to Identify GB Customers section of the SVI Supplementary Material

Eligible Products

Eligible Products are those products listed in the SVI Eligible Part Number list which are announced and generally available for sale in the country of the end user. The SVI Eligible Part Number list is published monthly. They are products ordered under the Passport Advantage program, either Passport Advantage or Passport Advantage Express, and that IBM has designated as 'New License' part numbers**.** Products listed on the SVI Eligible Part Number list which are ordered under the IBM Business Partner Agreement for Software Value Plus – Attachment for Primary Support Provider are also eligible. Any additional eligible products will be listed in the Software Value Incentive Eligible Part Number List under 'Other Products'.

Note that products ordered under Flexible Contract Terms (FCT) are **not** eligible for SVI fees. In addition, for software as a service offerings, only the initial fixed term licenses are eligible for SVI; subsequent term licenses are not eligible. .

New License part numbers are part numbers in the IBM Distributed Software Price Book with the following Part Type:

- License + SW Subscription & Support
- Trade Up License + SW Subscription & Support
- Competitive Trade-Up Lic + S&S
- Fixed Term Use without Support or Renewal - with the exclusion of any part numbers that are billed monthly
- Initial Fixed Term License, Subscription & Support - with the exclusion of any part numbers that are billed monthly
- Initial Fixed Term Use - with the exclusion of any part numbers that are billed monthly
- Initial Fixed Term Use with Support - with the exclusion of any part numbers that are billed monthly
- Product Trade-in
- Trade Up Fixed Term Use - with the exclusion of any part numbers that are billed monthly
- Lic + SW Sub & Support HW Add-On
- Lic + SW Sub & Support HW
- Trade Up Lic + SW Sub & Spt HW
- AnnBil InitFixTermUse 12 Mo w/o Supt
- Appliance with Lic plus initial S&S
- Saas Sbscrptn Mnthly or Annl with Support
- SaaS Daily Part
- Monthly Fixed Term License

New License part numbers do not include:

- SW Subscription & Support Renewal
- SW Subscription & Support Reinstatement

- Media and Documentation
- Courseware and Education Materials
- Services
- Subsequent Fixed Term License Subscription & Support
- Subsequent Fixed Term Use
- Subsequent Software as a Service (SaaS)
- Shrink-wrap Software
- Appliance Related HW

The list of the SVI Eligible Part Numbers and their associated brand families is posted in the Global Partner Portal Online help (http://sc4.ihost.com/gpp/permanent/svi_eligible_part_numbers.pdf).

Some IBM software products can be ordered by more than one distribution method (i.e. "dual pipe" products can be ordered either through Passport Advantage or Entitled Software). Unless specified in the "Other Products" section of the SVI Eligible Part Number List, only products ordered through Passport Advantage AND are on the SVI Eligible Part Number list are eligible for SVI fees.

Eligible Transactions

Eligible Transactions are transactions to Eligible End Users for Eligible Products that are fulfilled under the IBM Passport Advantage program or which are ordered under the IBM Business Partner Agreement for Software Value Plus – Attachment for Primary Support Provider. Any exceptions will be listed in the SVI Eligible Part Number List under 'Other Products'. Transactions which have been special bid are Eligible Transactions if all other requirements are met.

Transactions that are fulfilled through an IBM ASL/OEM Software Agreement are not eligible for SVI incentive fees.

Transactions which result from license compliance, Passport Advantage contract management, and license fulfillment activities are not considered Eligible Transactions for SVI.

When fulfilling Business Partners are Tier 2 Resellers, only the transactions processed through their preferred distributor are eligible for SVI fees.

Factors that determine SVI fee payment eligibility for some or all of the revenue from an Eligible Transaction include:

- Matching to a qualifying opportunity.
- Meeting all the payment business rules.

Transaction Value

Transaction Value is the dollar amount used to calculate the SVI fee payment. The Transaction Value is an approximated Suggested Volume Price, approximated suggested retail price or approximated special bid price, as applicable, for the Eligible Product included in the sales order line item. IBM sets this approximated dollar amount.

Validated Opportunity

A Validated Opportunity is an opportunity which IBM determines has met Sales Stage 04 as defined in the Client Value Method reference material. To access the Client Value Method reference material on the PartnerWorld® website www.ibm.com/partnerworld to learn more about Sales Stage definitions. From top of screen, click on Program, Selling Resources, Education, Sales Training and then look for Client Value Method under Training Tools.

Only Validated Opportunities will be accepted for SVI eligibility.

To determine whether an opportunity has met Sales Stage 04, IBM will review the material provided by the Business Partner, most specifically the Account information, Decision Makers Contact Information, Software Opportunity Description, and Budget, Authority, Need, Timeframe (BANT) attachment form.

For further information on how this information will be evaluated by IBM, consult the following sections of the SVI Supplementary Material:

- Guidelines for Validated Opportunities
- BANT Template Examples

Important note: SVI is a value-add sales offering, and is applicable to sales efforts **beyond pure fulfillment activities.** Activities directed primarily to pricing volumes under Passport Advantage, and fulfillment are not eligible. In addition, opportunities which arise from license compliance, Passport Advantage contract management, and license fulfillment activities are not considered validated opportunities for SVI.

Eligible Opportunity

Eligible Opportunities are Validated Opportunities which have met the SVI rules to be eligible for participation and eligible for payment. In order to be eligible for participation, the following must be true:

- The opportunity must not be a duplicate with another opportunity which was previously approved for SVI in GPP or which appears in the IBM Customer Relationship Management (CRM) system, and for which the SVI Business Partner is not listed as a participant on the opportunity
- The SVI Business Partner must be the originating owner of the opportunity in GPP; this means that either they created the opportunity in GPP or the opportunity was created in CRM by the IBM team and then passed to the SVI Business Partner

In order to be eligible for payment, the following must be true:

- If required, sales documentation was provided and was accepted by IBM as Eligible Sales Documentation
- The opportunity was submitted for SVI payment before the opportunity expiration date
- A sales order was identified within the IBM ordering system which represents a sale resulting from an opportunity which was eligible for participation
- The opportunity was submitted for SVI eligibility before the IBM Sales Order date. Business Partners should be aware that submission of opportunities does not imply approval, and orders processed prior to approval of SVI do not necessarily grant an SVI incentive. BPs are encouraged to submit opportunities as early in the sell cycle as possible to give IBM time for processing and responses. The earlier the submission, the more likely that the BP will have full understanding of the status of the request including duplicate opportunities and IBM's analysis of the GOE status of the user. This latter is quite important as SVI cannot be granted to a sale to a GOE user.
- The date on which the opportunity was submitted for SVI payment must be within 30 calendar days before the IBM Sales Order date or 60 calendar days after the IBM Sales Order date

- The sum of the line items in the sales order that are eligible for SVI payment must be equal to or greater than the minimum sales order threshold (see Appendix A for a list of minimum sales order thresholds which apply in each country)
- When the SVI Business Partner is also fulfilling the opportunity, then the order must have been placed through their preferred distributor

Only Eligible Opportunities will receive SVI fee payments.

The IBM Sales Order date is the date on which a sales order is created within the IBM ordering system as the result of IBM's receipt of a purchase order. At quarter end, the order must be time stamped no later than midnight of the last day of the quarter and standard IBM accrual timelines will apply.

Eligible Sales Documentation

Eligible Sales Documentation must clearly show the Business Partners' involvement in the sales cycle and their actions that convinced the end-user customer to acquire the Eligible Products. This documentation must have enough specificity to show that the Business Partner addressed the end-user customer's unique environment and situation so IBM can validate sufficient interaction between the Business Partner and the end-user customer.

Acceptable written documentation is that which provides evidence of value-add sales and/or technical activities having been performed prior to the sales order close date. This includes the following (as examples)

- Discussions of the requirements of the user / solution.
- Product features functions and/or benefits, related to those requirements
- Billable services performed as a part of the solution,
- Demonstration or proof of concept for the product capabilities,
- Skills transfer or implementation support provided to ensure customer satisfaction with the solution.

Unacceptable documentation is that which merely describes license fulfillment or passport contract management activity and does not provide proof of value-add activity. This includes, for example, discussions regarding pricing, determination of part number that should be ordered or quantity/location of licenses currently installed, upgrade path, or Passport contract terms.

Important Note: the documentation must support sales activity beyond pure fulfillment activities. Activities primarily directed to pricing and volumes under Passport Advantage is not sufficient to demonstrate the needs of the user, and by itself is not sufficient.

Implementation of Sampling of Sales Verification Documents

IBM has transitioned to the use of sampling techniques to determine for which claims the Business Partner will be asked to provide Eligible Sales Documentation prior to approval for SVI fee payment.

In this new process, Business Partners are no longer required to attach documentation for verification to your SVI claims. Although we advise to attach the documents when requesting payment to shorten the payment time frame. IBM will notify you if your transaction has been chosen for a verification review, and this verification can be up to 90 days from the date of the claim. After that time if your SVI opportunity has not been selected for review, you will not be asked to provide the Sales documentation for purposes of verifying the incentive payment.

However, if the SVI Opportunity will be paid by exception, Sales Documentation will be required.

If you fail sampling or do not respond to a sampling inquiry within 15 calendar days, you run the risk of being terminated from the SVI product group(s) being sampled (or all SVI product groups depending on the severity and/or frequency of failures) for six months. In addition, if your company also participates in Software Value Plus, loss of a SVI product group may also lead to your loss of resell marketing rights for the same product group in Software Value plus.

In the following situations the requirement for Eligible Sales Documentation is waived:

- If a Value Advantage Plus Business Partner has been approved for SVI Identify and Sell eligibility on an opportunity and they also fulfill that opportunity and received a Value Advantage Plus rebate, they are not required to submit Eligible Sales Documentation in order to receive the SVI Identify fee payment. The waiver applies only to the part of the Opportunity which was also part of the authorized Value Advantage Plus Solution.
- If the Business Partner is approved for IBM SVP Plus, and they identify and fulfill the SVI Opportunity, they are not required to provide Sales Documentation. . If the opportunity requires an exception for payment processing or if the Business Partner has been advised that their eligibility has been challenged by another Business Partner, IBM reserves the right to request sales documentation.

This change in SVI does not change the standard document retention rules in effect requiring that you retain documentation for your SVI transactions for three (3) years. IBM reserves the right to request sales documentation after 90 days for purposes other than the payment sampling verification process. Examples include but are not limited to the following:

- if it has been determined there is evidence that a partner has falsely requested a payment that was not earned
- In the case of legal action against one of the parties
- Regulatory-related investigations

Our expectation is that these situations should be relatively rare.

Sales documentation presented to IBM by the Business Partner must, in total, provide proof points which clearly show Business Partners' involvement in the sales cycle and their actions that convinced the end-user customer to acquire the Eligible Products, and must satisfy the following two criteria to qualify as Eligible Sales Documentation:

1. Show that the Business Partner authored the documentation and clearly demonstrates the Business Partner recommended the Eligible Products or Brand Families and assisted the end-user customer in the decision to purchase. (To demonstrate the Business Partner authored the documentation, it must have a Business Partner company logo, Business Partner company name, or other identification on the documentation.)
2. Include a reference to the Eligible Products or Brand Families and quantity or configuration of the products the Business Partner has recommended to the end-user customer

All documentation must be dated before the IBM Sales Order date for the Eligible Products, and must address the specific customer situation. If requested, the documentation must include evidence that it was submitted to the end user. If price quotes sent by the Business Partner to the end-user are provided, they must be dated on or after the document(s) used as evidence for criteria number 1. Price quotes can only be used to satisfy criteria number 2.

In cases where a Business Partner has worked jointly with either IBM or another Business Partner on an opportunity or services proposal, some additional requirements apply to Eligible Sales Documentation; see Appendix C for further information.

For further information on how sales documentation will be evaluated by IBM, consult the Guide-lines for Eligible Documentation section of the SVI Supplementary Material.

SVI ENROLLMENT AND PARTICIPATION APPROVAL

To be approved to participate in the Software Value Incentive a Business Partner must perform the following steps:

1. Become an IBM PartnerWorld Business Partner
2. Meet the SVI Participation Criteria for at least one Product Group
3. Accept the Software Value Incentive Terms and Conditions and Submit the SVI Enrollment Form
4. Receive Notification from IBM of Approval

For additional details on SVI Enrollment and Participation Approval, please visit https://www-304.ibm.com/partnerworld/wps/servlet/ContentHandler/swg_com_sfw_svi_apply

IBM PartnerWorld Membership

To participate in SVI, a Business Partner must be an approved IBM PartnerWorld Business Partner in good standing at the Member level or higher on the day their SVI Enrollment Form is submitted to IBM. If your firm does business and has a legal presence in multiple countries, then you must have a PartnerWorld® membership in each country and apply for SVI in each country in which you wish register opportunities

Meet SVI Participation Criteria

Business Partners must meet the SVI participation criteria for at least one Product Group before they can be approved for SVI; see the details in the next section for information on how to request authorization for a Product Group.

Business Partners who wish to review the status of their professional certifications prior to enrollment should consult the Certifications section of the SVI Supplementary Material.

Accept Terms and Conditions and Submit Enrollment Form

All Business Partners will be required to electronically agree to and accept the SVI terms and conditions. In some countries, a hand-signed copy of the terms and conditions is also required; see Appendix D for a list of countries that require this, and for further information.

Only the Business Partner's Authorized Profile Administrator (APA) the headquarters location can accept the SVI Terms and Conditions and submit the SVI Enrollment Form. The steps required to complete this process are:

- Sign in to your PartnerWorld® Profile (http://www.ibm.com/partnerworld/partnertools); the PartnerWorld® Profile Page is displayed with the list of profiles which the APA is authorized to update.
- On the PartnerWorld Profile Page, select **Relationship Management** from the left navigation pane.

- Click on the 'Apply and Manage Relationships' link
- If presented, select the country enterprise profile for which you wish to enroll
- Click on "Apply for a New Relationship"
- Select the Relationship type, then scroll down
- Select your IBM Product Groups. Business partners may apply for more than one Product Group on the initial application.
- You must select your Preferred Value Added Distributor (VAD). If a Business Partner is enrolled in Value Advantage Plus they must use the same Preferred Distributor for

SVI. Business Partners may only change their Preferred Distributor once in a 12 month period; 30 days notice is required. See the section Selecting/Changing a Preferred Distributor in the SVI Supplementary Materials for further information.

- The preferred VAD and the Tier 2 Business Partner may not be part of the same enterprise. Orders may not be placed through VADs that are part of the same enterprise as the Tier 2 Business Partner. In such cases, the Tier 2 Business Partner must immediately notify IBM and identify a different preferred VAD.
- Read and accept the IBM Software Value Incentive terms and conditions. This document can also be downloaded for printing. The individual from the Business Partner company who agrees to the terms and conditions must have the authority to make commitments on behalf of that Business Partner company.
- Identify your key contacts, complete the Integrity Training registration section, upload any required files, and answer the online Global Compliance Questions
- Click on Submit to send the application to IBM
- The enrollment form is automatically sent to the IBM SVI operations team for review. The confirmation number, which is displayed after the Business Partner clicks **Submit** is the only confirmation that they submitted an SVI Enrollment Form correctly; therefore, they should print a copy for their records.
- Once a Product Group is approved, it is an overnight update to the Global Partner Portal system before an SVI opportunity for that Product Group may be created and submitted to SVI.

Business Partners applying for SVI in countries where Reseller Authorization does not apply (Open Distribution Countries) have unique guidelines for applying for Product Group approval. Please see Appendix B for further details.

If there are problems with the enrollment process, including inability to print terms and conditions, or a lost confirmation number, the Business Partner should contact PartnerWorld Contact Services (http://www.ibm.com/partnerworld/contact).

For further information on the steps to accept terms and conditions and submit the SVI enrollment form, consult the Enrolling in SVI section of the SVI Supplementary Material.

Receive Notification of Approval

The Business Partner's Primary Relationship Contact, (which is defined in their HQ Location Record) will receive e-mail notification of their SVI enrollment participation acceptance or denial. If approved, the e-mail notification includes the date of their SVI approval. The Primary Relationship Contact will also receive notification of their SVI approval status for each Product Group. In addition, the designated Software Distributor will receive the notification of the SVI Product Group approval.

Requesting Approval for Additional Product Groups

Business Partners may request approval for additional Product Groups at any time after the initial application is approved. To request approval for additional Product Groups, the Business Partner should do the following:

- Sign in to your PartnerWorld® Profile (http://www.ibm.com/partnerworld/partnertools); the PartnerWorld® Profile Page is displayed with the list of profiles which the APA in the headquarters location is authorized to update.
- On the PartnerWorld Profile Page, select **Relationship Management** from the left navigation pane.

- On the Relationship Management page, click the **"Apply and Manage Relationships"** link
- Click on the link for the Country Enterprise Name
- Click the Software relationship link for which you want to add a Product Group
- Click **"Add new product"** button. Note: If you were previously denied for a product and you now have the required certifications, you may click on the **"Reapply"** button to apply for it again.
- Make a selection for **"sub-Product"**. Select the "**Family Group"** if applicable. Click the box(es) for **"Software Value Incentive"** and/or **"SVP Product Group"** as applicable. Then click **"Add new product"**. Repeat this process for each of the Product Groups you wish to add.
- Click **"Next"** button until you reach the page with **"Submit"**. Click **"Submit"** button to send the application to IBM SVI team for processing.
- Make note of the confirmation number for tracking purposes.

CREATION AND PROGRESSION OF SVI OPPORTUNITIES

This section provides an outline of the steps required to complete the initial set up Global Partner Portal, and to use Global Partner Portal to progress an opportunity though all the steps required to earn SVI fees.

There are eight steps in the opportunity process

1. Business Partner Creates and Saves a Draft Opportunity
   - Find an Account; if not found, Create a new Account
   - Add Revenue records to the opportunity
   - Add Contacts to the opportunity
   - Add Sales Team Members to the opportunity (optional)
   - Attach BANT form to the opportunity
2. Business Partner Submits Opportunity for SVI Eligibility
3. IBM Determines if Opportunity is Eligible for SVI
4. Business Partner Completes the Sales Process
   - Adding new Sales Team members to an opportunity
   - Changing information on an opportunity previously submitted for eligibility
5. Business Partner Closes the Opportunity
   - Closed as Won and Submit SVI Payment Request with supporting documentation and IBM sales order number if available
   - Closed as Lost
6. IBM processes Opportunities Closed as Won and Submitted for Payment
   - IBM matches Opportunity to a Sales Order
   - IBM determines if Business Partner met the Sales Criteria
   - IBM creates Payment file for submission to Payment Application
7. IBM determines if the Opportunity payment record is eligible for payment and calculates SVI fees
8. IBM Accounts Payable makes payment to the business partner

The Overall SVI Status code in the opportunity record in Global Partner Portal indicates which stage in this process an opportunity has reached; Appendix E lists the possible Overall SVI Status codes and their meanings.

Global Partner Portal Initial Setup Tasks

For Business Partners new to Global Partner Portal, IBM creates a Business Partner Organization profile in Global Partner Portal for the Business Partner firm and creates the initial Business Partner GPP Administrator for this Business Partner company. After the Business Partner organization is set up and the initial user (GPP Administrator) is notified, the Business Partner GPP Administrator should refer to the *Business Partner GPP Administrative Guide* about how to set-up additional users in their company and define what functions they can perform and the data they can access. Instructions on how to access this Guide and other GPP training is given below.

In order to enter an opportunity and participate in SVI opportunity registration, Business Partner employees must have access to Global Partner Portal; it is the responsibility of the GPP Administrator in their company to establish this access.

Each Global Partner Portal user has a unique position that defines the data they can access. Each user is also assigned a set of responsibilities that defines the screens (views) that they have access to in order to see the information. A user may have multiple responsibilities, thus allowing more screens (for example, the screens to add additional users from the Business Partner company). However, users can have only one position assigned.

Detailed instructions on performing many of the Global Partner Portal and SVI tasks can be found on the Global Partner Portal Training pages. To access these pages:

- Log on to PartnerWorld®

- From the left navigation pane, select **Selling**, then select **Sales Tools**
- Click on Learn More About Opportunity Management under the Opportunity Management Header.
- Click on the education tab
- Select a Language and Select a Role (Admin for the GPP Administrator, or SVI Sales Rep for Business Partner users) and click **Go**

In addition, for further detailed information on the following:
- How to review GPP profile (includes authorized Product Groups)
- Setting Time Zone and Columns
- Countries and Positions

Opportunity Management, Lead Passing and SVIBusiness Partners Working with IBM.COM consult the GPP Fundamentals and Setup section of the SVI Supplementary Material.

Create and Save Opportunity – within GPP user interface

Business Partners should enter their opportunities in GPP before discussing them with others. If a Business Partner has identified a new opportunity, they must be the first to register it in Global Partner Portal and be approved in order to be eligible for SVI fees.

Business Partner Sales Reps, Business Partner Managers and the Business Partner Opportunity Focal Point can create opportunity records.

The opportunity must be created and saved prior to submitting to IBM for SVI eligibility. The opportunity will have an Overall SVI status of 'DRAFT' before it is submitted for SVI eligibility.

Business Partners have a choice of whether or not to share their opportunity data with IBM's Customer Relationship Management (CRM) opportunity management system (IBM's CRM system) that is used by IBM's internal sales force. When Business Partners create an opportunity, they can decide to share an opportunity fully (Full Disclosure), partially (Is Restricted) or not share (Work in GPP) with IBM's CRM system and direct sales teams.

An Opportunity record in GPP consists of four major components:

- Opportunity Header; contains overall information about the opportunity
- Associated Records
  - Revenue Records, contain information about the products and forecasted revenue
  - Sales Team Members
  - Contacts
- Programs
  - Software Value Incentive
  - Bid Certification Center
  - Opportunity Registration (used for Solution Incentives and Value Advantage Plus for Government Sales)
- Other information, i.e. Attachments, Notes, Activities

Before an opportunity can be submitted for SVI Eligibility, it must have:
- An opportunity header record containing key information about the opportunity
- At least one revenue record describing details of a brand family of software to be sold
- A contact record for the end user decision maker for the opportunity
- An attachment containing the completed BANT template for the opportunity

The required information on the opportunity header must include:
- Customer Account Name and Address
- Opportunity Description / Project Name
- Decision Date (Close Date)

- Sales Stage (must be a Sales Stage of 4 <Validated/Qualifying>)
- Customer Account Name and Address
- Decision Date
- Probability %
- Currency

The Business Partner may select the customer from existing IBM customer accounts, or, if an existing customer account cannot be found, the Business Partner may create a customer account record. Any restrictions on how the opportunity is shared are set in the Opportunity Header. Business Partners can select 'Work In GPP' or 'Is Restricted' settings only for opportunities that they create. Opportunities that IBM users created and assigned to Business Partners will have a status of Full Disclosure and cannot be changed. The **Work in GPP** status can only be selected at the time the opportunity is created, but can be deselected at any time. The **Is Restricted** field can be checked or unchecked at any time. All GPP created opportunity records become fully visible in IBM's opportunity management system once the GPP opportunity has been coded as Sales Stage 07- Won/Implementing or 11-Lost.

After creating the opportunity header record, add one or more revenue records to the opportunity. The revenue record identifies the specific brand families of the products that are recommended by the Business Partner in the opportunity solution. **Selection of the brand families is important, because if the registered brand families do not match the brand families that are purchased by the customer, no SVI fees will be paid.** For information about verifying the correct brand family, access the most recent version of the SVI Eligible Part Numbers list in the Global Partner Portal online help or click the PDF icon next to the Brand Family field name when adding a New revenue record and search for the product/part number to identify its associated brand family.

A separate Revenue Record for each Brand Family in the opportunity should be added, but only one revenue record should be added per brand family. If the opportunity contains multiple products within the same brand family, the quantity and revenue for these products should be aggregated into one Revenue Record for that brand family. All brand families registered must be validated and supported in the opportunity information section of the BANT. Business Partners should consider registering both open and authorized brand families if part number selection is not final, but they should not list brand families as "placeholders" if those brand families are not supported in the opportunity description.

Global Partner Portal will indicate by a "Y" in the Brand Certification field if the Business Partner firm has the required SVI Product Group approval to participate in SVI for a given revenue record.

After an opportunity is submitted for SVI eligibility, Business Partners cannot add new brand families. Before submitting an opportunity for SVI eligibility, verify that all the desired brand families are included. The revenue records can be updated up to the day the opportunity is submitted for SVI payment request; however, new brand families cannot be added and existing brand family selections cannot be changed. If a new or different brand family is required after the opportunity has been submitted for SVI eligibility, Business Partners must create a new opportunity or a child opportunity.

Before the opportunity is submitted for SVI payment request, Business Partners should update the brand family information in the opportunity record, especially the quantities and revenue amounts. The quantities and revenue amounts are matched to the IBM sales order to determine SVI incentive fee payments.

The information that is required in each revenue record includes:

- Type - Software
- Brand Family
- Win Probability %
- Quantity
- Price (End-user Entitled price or End-User Special Bid price)
- Revenue
- Opportunity Currency

- Bill Date

The information that is required in the contact record must contain

- Decision Maker's: Name, Job Title, Address, Email & telephone information

The Budget, Authority, Need, Timeframe (BANT) information – must be provided in a typed (not handwritten) Attachment document with an Attachment Type of 'SVI BANT'. The attachment should be named "BANT Customer Name – Opportunity #". Refer to the definition of 'Validated Opportunity' in the SVI Definitions section of this document for additional details. A copy of the template is included in Appendix F.

Detailed instructions for 'Creating a Revenue Record with Brand Families' can be found in the GPP on-line help or on the Global Partner Portal Training pages. Select a Language and Select a Role (SVI Sales Rep) and refer to the topics under *Working with Opportunities.* Instructions are also listed in the SVI Quick Reference Card which is posted under *SVI Additional Resources*.

In addition, for further detailed information on the following:

- Finding or Creating an Account Within the Opportunity
- Adding Contacts to an Opportunity
- Adding Sales Team Members
- Attaching Documents
- Other GPP Tips when Creating Opportunities

consult the Creating and Saving a Draft Opportunity section of the SVI Supplementary Material.

Create and Save Opportunities – using B2B Tools

Business Partners who are experienced with the use of GPP and the information required for SVI opportunity submission, and who have spreadsheet skills and multiple opportunities to enter should consider use of the GPP Business to Business (B2B) tool to create and save opportunities.

To learn more about Global Partner Portal B2B tools please visit **https://www-304.ibm.com/partnerworld/wps/servlet/mem/ContentHandler/gpp_com_stl_b2b_overview**:

Opportunity Submission for Eligibility

After the Business Partner creates and saves a validated opportunity in Global Partner Portal, Business Partner GPP users with edit capability can submit the opportunity for SVI Eligibility determination. For opportunities passed by IBM, we recommend to use this passed IBM opportunity instead of creating a new opportunity in GPP to acquire a proper eligibility decision. Before submitting the opportunity, the Business Partner should verify that the opportunity record includes all required information (see the last section).

When the user selects the **Software Value Incentive** (SVI) tab within the opportunity record, Global Partner Portal verifies that the following SVI requirements are met:

- The Business Partner company is approved for SVI
- One or more revenue records must contain a brand family that is eligible to participate in SVI.

If either of these conditions is not met, the user is denied access to the SVI screens and an error message is displayed.

When the user clicks **Submit for Eligibility** under the **SVI** tab, Global Partner Portal verifies that the Overall SVI status is **Draft**. If the status is not Draft, the submit process terminates and an error message displays.

When an opportunity is successfully submitted, the Overall SVI Status field changes to **Duplicate Opportunity Search.** The date on which the opportunity was submitted for SVI eligibility is recorded in GPP; this date will be considered at the time of payment request to evaluate whether this is an Eligible Opportunity for payment. In addition, the SVI expiration date is set 270 days from this date.

If a Business Partner has submitted an opportunity in error (For example, used the incorrect brand family or neglected to create additional revenue records for an opportunity), they can send an email to IBM (see 'IBM Contacts' in the **Contacts** section) and request that the opportunity be withdrawn.

Detailed instructions on Submitting an Opportunity for SVI Eligibility can be found in the GPP on-line help or on the Global Partner Portal Training pages. Select a Language and Select a Role (SVI Sales Rep) and refer to the topics under *SVI Sales Rep Activities*. Instructions are also listed in the SVI Quick Reference Card which is posted under *SVI Additional Resources*.

IBM Review of Eligibility

When a Business Partner submits an opportunity for SVI Eligibility, IBM will perform the following steps:

1. Determine if the opportunity is complete for SVI eligibility evaluation
2. Search for Duplicate Opportunities to determine if the opportunity is new
3. Determine SVI eligibility and set the SVI Status of each Revenue Record in the opportunity
4. Set Overall SVI Status to one of the following
   - Eligible Full Participation
   - Eligible Partial Participation
   - Denied Participation
   - Draft (if information is not complete)

IBM will review the submitted opportunity to determine if it is a validated opportunity and if it is complete prior to determining SVI eligibility. They will review the opportunity to determine if:

- All the required fields for SVI have been populated
- The content is valid and complete and if there are any discrepancies
- The opportunity description is adequate
- BANT information has been supplied
- The End User customer is not ineligible (see the definition of 'Eligible End Users in this document)

When opportunities are denied because the End User was determined to be GOE or Unknown, business partners have the following options:

- Register the same opportunity for Value Advantage Plus for Government if they plan to resell
- Appeal the end user classification. Refer to Appendix K End User Determination Appeal Process.

If IBM determines that the opportunity record is not complete, the revenue records in the opportunity will be marked as Incomplete. In addition, if the SVI Status of any Revenue Records are incomplete, the Overall SVI Status will be changed back to Draft. For further details on validated opportunity criteria, refer to the definition of a Validated Opportunity in the Definitions section of this document. For further information on required fields for an opportunity, refer to the Create and Save an Opportunity – within GPP User Interface section of this document.

The next step in the eligibility review is the duplicate opportunity search. IBM will first search Global Partner Portal to determine if the Business Partner is the first to submit the opportunity for SVI eligibility.

Next, IBM will search CRM and other IBM opportunity tracking processes to determine if IBM has already identified the opportunity. If so, the SVI team will determine whether or not IBM has named the Business Partner as a sales resource on the opportunity. At some point during the duplicate opportunity search, the Overall SVI status may change to Waiting Eligibility Decision.

IBM will update the 'Duplicate Opportunity' status field of each Revenue Record in the opportunity based upon these search results as follows:

- Incomplete – the opportunity failed the completeness check above
- Yes – this opportunity is a duplicate based on the Global Partner Portal and/or CRM/IBM opportunity tracking process searches performed in the prior step
- No – this is not a duplicate opportunity

IBM will also determine the Incentive Fee Type which applies for each Revenue Record that is not incomplete. The Incentive Fee Type can be either Identify and Sell or Sell Only. Sell Only applies when the Business Partner was not the first to identify the opportunity, but they are working with the IBM direct sales team on the opportunity for the brand family in question. If the opportunity for the brand family in the revenue record was first identified by another Business Partner, or by IBM and the Business Partner is not working with the IBM direct sales team, then the revenue record is not eligible for a fee, so the Incentive Fee Type is not set.

The Overall SVI Status is set based on the status of the underlying Revenue Records on the opportunity. If all of the Revenue Records have an Incentive Fee type set, then the Overall SVI Status is set to Eligible Full Participation. If only some of them have an Incentive Fee type set, then the Overall SVI Status is set to Eligible Partial Participation. If none if them have an Incentive Fee type set, then the status is set to Denied Participation.

Business Partners will be notified when IBM updates the Overall SVI Status of an opportunity. When the Overall SVI Status is updated by the IBM SVI administration team, notification of the status change is sent to the opportunity owner via e-mail. The Business Partner must have a valid e-mail address in the PartnerWorld Profile System (PPS) in order for this notification to be sent successfully.

If an opportunity is approved for SVI eligibility, but later in the SVI review process it is determined that it is ineligible for any reason, then the transaction is effectively ineligible immediately. SVI fee payments made in error to ineligible transactions are subject to recovery.

Business Partners have 30 calendar days to challenge IBM's decision for an opportunity eligibility decision.

For further detailed information and examples on the following, consult the Eligibility Review section of the SVI Supplementary Material.

- Examples and Illustration of Setting Revenue Record Status Codes and Overall SVI Status
- Examples of why an opportunity may be fully or partially rejected

Complete Sales Process, Close and Submit for Payment

When the sales process is complete, the Business Partner should close the opportunity in Global Partner Portal, and, if the opportunity was won, submit the request for SVI payment. If the opportunity is lost, the Business Partner should update the Sales Stage to 11 – Lost, and no further action is necessary.

If the sales process does not close by the date on which the opportunity will expire in GPP, it is possible to request a one time extension. See the section in this document entitled Requesting Opportunity Extension for further details.

If the SVI Business Partner is also the fulfillment Business Partner, as of July 2014, there may be an option to claim the SVI Incentive via the SVP Small Deal Rewards. See Appendix I.

If the opportunity is won, and the SVI Business Partner is also the fulfillment Business Partner, they should include the SVI opportunity number on the purchase order to their preferred distributor and request that the distributor include this opportunity number on their purchase order to IBM. If the SVI Business Partner is not the fulfillment Business Partner, but they have a relationship with the reseller, then they should ask the reseller to do the same thing. When the Opportunity number is included in the sales order document, it reduces errors and accelerates SVI fee payment cycle time.

For opportunities which are won, the key steps to closing the opportunity and submitting for SVI payment are:

- Update the opportunity header in GPP to 07 – Won / Implementing. Only Opportunities that have a sales stage set to 07 and which are currently in **Eligible Full Participation** or **Eligible Partial Participation** status can be submitted for payment request.
- If the SVI Business Partner is also the fulfillment Business Partner, this should be indicated in the opportunity record by checking the “Fulfilling Business Partner” check box in the opportunity header when the SVI tab is open.
- Ensure that the information in the opportunity is correct and up to date, most particularly that the revenue field in the revenue records closely approximates the end user’s suggested volume price or special bid price for the products.
- Attach the sales documentation, if necessary, i.e. if at least some part of the opportunity is not eligible for a sales documentation waiver. See the definition of Eligible Sales Documentation in this document for further details.
- Provide any information which will facilitate and expedite the payment process. The most important information is provision of the IBM sales order number in the **Comments for SVI** field of the opportunity record and/or the Passport Advantage site number into the specific fields of the opportunity record. See the Payment Request Guidelines section of the SVI Supplementary Material for further suggestions.
- When all of the above steps are completed, submit the Payment Request in GPP. The Overall SVI Status of the opportunity will then change to **Waiting Order Validation**.

Detailed instructions on Updating a Previously Submitted Opportunity, Updating a the Sales Stage, Submitting a Payment Request and Closing Opportunity Records can be found in the GPP on-line help or on the Global Partner Portal Training pages   Select a Language and Select a Role (SVI Sales Rep) and refer to the topics under *Working with opportunities* and *SVI Sales Rep Activities*. Instructions are also listed in the SVI Quick Reference Card which is posted under *SVI Additional Resources*.

In addition, for further detailed information on how to ensure that an opportunity is fully ready for payment review, consult the Payment Request Guidelines section of the SVI Supplementary Material.

Disclaimer: Check that you are able to receive the payment. You are liable for the payment.

Payment Request Review

There are four steps that will take place after an opportunity is closed as won and has been submitted for SVI payment request.

- IBM will search for the sales order that resulted from the opportunity.
- IBM will determine if the Business Partner met the sales criteria.
- IBM will identify the specific lines on the sales order that match the approved Revenue Records and which were not paid under another SVI opportunity.
- IBM will review the dates and other opportunity and sales order information to ensure that this is an Eligible Opportunity.

First, IBM will search for a sales order that matches the opportunity. If a sales order number is not provided in the **Comments for SVI** field, IBM will search back 60 calendar days for the corresponding sales order. When the sales order is identified, the Overall SVI Status of the opportunity will change to **Waiting Sales Verification**.

If no sales order can be found, the Overall SVI Status will be changed to **Sales Order Not Found** and the Opportunity record is unlocked. The Business Partner may provide IBM with additional information to locate the sales order and they must resubmit the opportunity for SVI Payment Request. If the payment request is resubmitted, the original Payment Request Date is preserved.

After the sales order has been identified, IBM reviews the sales documents the Business Partner has attached to the opportunity to determine if the Business Partner has significantly impacted the End User's decision to acquire the Eligible Products. See the definition of Eligible Sales Documentation in this document for further details.

If IBM is not satisfied with the documentation provided, they check the **Waiting for More Information** flag in the SVI header; enter a **Comment** on what additional information is needed and contact the Business Partner to request the required additional information. If more information is needed, the Business Partner can attach it to the Opportunity record and notify IBM that it has been provided.

IBM reviews the documentation against each of the Revenue Records on the opportunity. It is possible that the documentation may prove that the Business Partner significantly impacted the End User's decision to acquire the Eligible Products for some revenue records, but not for others. In each case, IBM will set a flag "Sales Criteria Met" (yes or no) for each revenue record. Only the revenue records which have the "Sales Criteria Met" flag set to Yes, and which are eligible for fees (i.e. the Incentive Fee Type is Identify and Sell or Sell Only) will be considered for payment. These records will be given a status of Reviewing Payment Rules; all others will be given a status of Denied of Payment Processing.

The Overall SVI Status at this time will be set based on the status of the underlying Revenue Records. If at least one of the underlying Revenue Records can be considered for payment (i.e. is in status Reviewing Payment Rules) then the Overall SVI Status will be set to **Reviewing Payment Rules,** otherwise the Overall SVI Status is set to **Denied for Payment Processing.**

When the opportunity has reached **Reviewing Payment Rules** status, each Revenue Record which is being considered for payment (i.e. the Revenue Record is also in Reviewing Payment Rules status) will be reviewed against the individual lines (part numbers) on the sales order. If the sales order line is a part number that is eligible for SVI, and if it was part of the brand family of the revenue record as of the date that the opportunity was submitted for SVI eligibility, then that sales order line item will "match" the revenue record, meaning that it will be included in the payment calculation for that Revenue Record.

In some cases, a Revenue Record will not have any sales order line items that “match” the Revenue Record. If this is the case, no payment can be generated for that Revenue Record, and its status will be set to **Unable to Process**.

IBM also checks that each sales order line item has not been processed for payment in another SVI opportunity. If so, that line item will not be included in the payment calculation for that Revenue Record. If all of the sales order line items which “match” a particular Revenue Record have been processed for payment in another SVI opportunity, then that Revenue Record status will be set to **Not Payable**.

The final step in the payment review process is that IBM will review the dates and other information in both the sales order and the opportunity to ensure that all of the business rules are met. These business rules are outlined in the definition of Eligible Opportunity in this document. If one of these business rules is not met, then the status of all the Revenue Records in the opportunity will be set to **Not Payable**.

The Overall SVI Status of the Opportunity at the conclusion of the Payment Request Review will be one of the following:

- **Reviewing Payment Rules** (if at least one Revenue Record is in Reviewing Payment Rules status)

- **Not Payable** or **Denied for Payment Processing** (if no Revenue Records are in Reviewing Payment Rules status

It typically takes up to a week (although it may be longer) after the opportunity first enters the **Reviewing Payment Rules** status for the analysis against the business rules to be completed. As a result, an opportunity having a status of **Reviewing Payment Rules** may later change to **Not Payable** or **Denied for Payment Processing.**

When opportunities are **Denied for Payment Processing** because the End User was determined to be GOE or Unknown, business partners have the option to appeal the end user classification. Refer to Appendix K End User Determination Appeal Process.

Payment Process

SVI fees are calculated at the Revenue record level according to the following fee table:

Discount type	Industry / Base	Enterprise-select / Base	Enterprise non-select / Premium for GB*	Commercial / Premium for GB
Fees directly to BP:				
SVI Identify Fee	5%	5%	10%	10%
SVI Sell Fee	5%	5%	10%	10%

* End-User customers designated as ISU for Business Partner incentives = Computer Services to earn Premium for GB

SVI fees are paid for either Identify and Sell activities, or for Sell Only activities. An opportunity cannot be approved for Identify fees only.

The numbers shown on this table are additive. For example, if a revenue record is approved for Identify and Sell, and the end user is not an Enterprise non-select or a midmarket end user, then the total SVI percentage will be 10% (5% for Identify plus 5% for Sell). In a similar case where the end user was an Enterprise non-select or a midmarket end user, the total SVI fee percentage would be 20% (5% for Identify plus a 5% identify premium for an Enterprise non-select or a midmarket end user plus 5% for Sell plus a 5% sell premium for an Enterprise non-select or a midmarket end user).

The appropriate percentage is applied to the Transaction Value of the sales order lines which were “matched” to the Revenue record during the payment request review process.

There are two other factors which are considered in deriving the final SVI payment amount:

- The brand family forecast amount of the Revenue record
- Whether or not the SVI Business Partner also received a VAP rebate on any sales order lines which were “matched” to the Revenue record

If the Transaction Value of the sum of the sales order lines which were “matched” to the Revenue record during the payment request review process is greater than the brand family forecast uplifted by 25%, then the SVI fee will be paid on the forecast uplifted by 25%. So for example, if the total Transaction Value of the sales order lines is 20,000, but the brand family forecast for that Revenue record was 10,000, then the SVI fee will be based on a total of 12,500 (10,000 * 1.25).

If the SVI Business Partner also received a Value Advantage Plus rebate or an SVP Solution Incentive fee payment on one or more sales order lines which were “matched” to the Revenue record, then only the Identify fee percentages will be applied to those line items. In cases where the SVI Business Partner was approved for Sell Only for the Revenue record, then no fee will be paid. A different Business Partner receiving a Value Advantage Plus rebate or SVP Solution Incentive fee payment does not preclude the SVI Business Partner from earning SVI Identify and Sell fees.
For additional detailed examples of SVI fee calculations, consult the SVI Fee Calculation Examples section of the SVI Supplementary Material.

After SVI fees are calculated and approved for payment, the status of the Revenue records which were in Reviewing Payment Rules, and which passed the payment review process, will change to Approved for Payment. The Overall Status of the SVI Opportunity will then change to **Approved for Payment** (if all Revenue records have been approved for payment) or **Approved for Partial Payment** (if only some Revenue records have been approved for payment).

SVI fees are calculated on a periodic cycle every week. After SVI fees have been calculated and approved, the SVI Business Partner will be asked to submit an invoice for the amount of the fees; instructions on where the invoice should be sent will be provided in the request.

Payments will be made by Electronic Funds Transfer. Payments will be made in the currency for the country as shown in Appendix A. In order to receive SVI fees, Business Partners must provide IBM with any necessary information needed (i.e. bank transfer number) for IBM to make payments to them.

After an SVI fee payment has been made for a Revenue record, the status of the Revenue record will change to “Paid”. The Overall Status of the SVI Opportunity will then change to **Paid** (if all Revenue records have been approved for payment) or **Paid Partially** (if only some Revenue records have been approved for payment).

SVI fees are subject to adjustments, which may be necessary due to errors or other invoice adjustments.

An example of an adjustment would be a transaction which resulted in eligible sales order line items totaling 15,000 USD during second quarter and is returned in the fourth quarter. A resulting fee adjustment will be made based on the recalculated second quarter sales order line item revisions.

IBM will periodically review previously eligible SVI transactions to determine if there have been any IBM invoice adjustments that have occurred which would result in an adjustment to a Business Partner's SVI fees. If we determine that the Business Partner has been overpaid, we will request repayment of the overpaid SVI fees and/or adjust their future eligible SVI fee payments. .

Business Partners have one month from the date they receive their SVI fee payment in which to raise any inquires about the payment. Inquiries regarding payment after this time will not be accepted. Inquiries must be submitted in writing via e-mail to the IBM contact for the country as specified below, in the section **Contacts**.

The inquiry must include the following information:

- Business Partner Company's Name
- Contact Person's Name and E-mail Address
- A description of the payment discrepancy or error, including the specific IBM Sales Order Number, transaction date and end user customer name.
- Please enter the following as the subject of the email: Query on 20XX SVI Fee Payment - "Your Company Name".

IBM will review Business Partner inquiries and respond in writing, via e-mail, within one month from the date we receive a request that is complete, as specified above. If a Business Partner is entitled to a higher fee payment, and then an adjustment payment will be made. If a Business Partner was overpaid fees, IBM will provide information on how repayment should be made to us.

SVI Business Partners who wish to review details of their SVI fees which have been approved for payment should review the SVI Business Partner Statement for their company. This statement can be accessed by anyone in their company who is "Authorized to Access BPIMS", and it can be either viewed on the screen or downloaded as a file. For information on how to become "Authorized to Access BPIMS" and how to access the SVI Business Partner Statement, consult the SVI Business Partner Statement section of the SVI Supplementary Material.

Marketing Assist Payments

IBM will limit the total payment for Software Value Incentive (SVI) and / or SVP Industry and Capability Authorization Solution Incentives for Marketing Assist without resale.

On September 9, 2013, IBM announced we would limit Marketing Assist claims to USD 500,000 per transaction. A transaction was defined as a single opportunity for SVI, and the original opportunity and its follow-on opportunities for Solution Incentive. Separate SVI and Solution Incentive opportunities submitted by a Business Partner for the same IBM software sales order are treated as one (1) opportunity subject to the Marketing Assist without resale payment limit.

SVI opportunities submitted and approved for eligibility prior to August 20, 2013 would be honored with no payment limits as will Solution Incentive opportunity registrations submitted prior to August 20, 2013.

All SVI opportunities and Solution Incentive opportunity registrations submitted after August 20, 2013 were subject to the new Marketing Assist without resale payment limit. This change was worldwide and was effective immediately.

Effective, July 1, 2014, **IBM will limit Marketing Assist fee payments for Software Value Incentive (SVI) and SVP Solution Incentive to USD 250,000 per Business Partner, per transaction.** Effective January 1, 2017 IBM will limit the Software Value Incentive (SVI) fee payments for SaaS opportunities to 150,000 USD per Business Partner per transaction. The new Marketing Assist fee maximum payment rule applies to all Marketing Assist opportunities world wide, except as follows:

- SVI opportunities submitted and approved for eligibility prior to May 12, 2014, will be honored at the previous limit

- SVI opportunities submitted and approved for eligibility and SVP Solution Incentive opportunities approved after May 12, 2014 and with a sales order date prior to July 1, 2014 have a payment limit of USD 500,000

SVI and SVP Solution Incentives when the Business Partner fulfills the licenses continue to have no limit.

<u>A transaction for SVI, SVP Solution Incentive or a combination of both incentives is defined as:</u>

1. A single opportunity or multiple opportunities against the same IBM sales order submitted by the same Business Partner.
2. A single opportunity with multiple IBM sales orders submitted by the Business Partner

REQUESTING OPPORTUNITY EXTENSION

When a Business Partner submits an opportunity for SVI Eligibility, the SVI Expiration Date is set 270 calendar days (approximately nine months) from the date it is submitted. The SVI business rules allow Business Partners to request a one time extension for an additional three months to close and submit an eligible SVI opportunity for payment.

The Business Partner must submit the SVI extension request before the opportunity's SVI Expiration date. Extension requests can only be created for opportunities which have an Overall SVI Status of **Eligible Full Participation** or **Eligible Partial Participation**. The Business Partner must close the opportunity and submit the opportunity for SVI Payment Request on or before the new expiration date.

Only one extension will be approved for an opportunity. If more time is needed to close the opportunity than available under the extension process, Business Partners can create and submit a new opportunity record or child opportunity record for SVI consideration. IBM will review this new opportunity record as if it is a newly submitted opportunity. In other words, it is subject to the duplicate opportunity search and may not be eligible for the same fee type as the original (expired) opportunity, or may not be approved for eligibility at all. IBM also reserves the right to request sales documentation in these circumstances to review whether there has been recent and active sales activity on the part of the Business Partner. If there has been no such activity, the new opportunity record could be denied.

The status of extension requests is visible in Global Partner Portal from the 'Show Request Expiration Extension' view. Requests that have been approved will have an Extension Request Status of 'Approved' and will also have a 'New Expiration Date' listed on the opportunity record.

Detailed instructions on Requesting an Extension can be found in the GPP on-line help or on the Global Partner Portal Training pages Select a Language and Select a Role (SVI Sales Rep) and refer to the topics under *Requesting an Extension* in SVI Sales Rep Activities.

REVALIDATION

IBM will periodically review Business Partners' program participation and qualification status for Software Value Incentive. This revalidation is performed at the Product Group level. Revalidations for Product Groups which are part of authorized distribution and Product Groups in open distribution will be performed in conjunction with the revalidation in SW Value Plus which will take place in the February/March and August/September timeframe each year. Specific dates will be published on the News section of the Software Value Incentive website at http://www.ibm.com/parnterworld/softwarevalueincentive

Revalidation for Business Partners in countries in Open Distribution are subject to unique rules. Please see Appendix B for further details.

In order to remain authorized to register SVI opportunities for a Product Group, at the time of revalidation the following conditions must exist:

- For products which are part of Software ValuePlus authorized distribution, the Business Partner must have at least one qualifying Sales mastery and at least two qualifying Technical certifications and/or Technical Sales mastery for the Product Group.
- For products which are part of open distribution Product Groups, the Business Partner must have at least one qualifying Sales mastery and at least two qualifying Technical certifications and/or Technical Sales mastery for the Product Group's Brand.

If a Business Partner loses their SVI authorization for Product Group as a result of Revalidation, their SVI approval in that Product Group will be terminated and they will no longer have the ability to register new SVI opportunities in the Product Group.

If a Business Partner is participating in Software Value Plus, a loss of SVI authorization for a Product Group may also lead to the loss of resell marketing rights for the same product. Please see the SVP Operations Guide at http://www.ibm.com/partnerworld/softwarevalueplus for further information.

The Business Partner will have until the opportunity Expiration Date to close and request SVI payment on existing opportunities in these terminated Product Groups as long as:

- The opportunities were submitted for SVI eligibility consideration before the Product Group's SVI termination date.
- The opportunity and the revenue records for brand families of the terminated Product Groups were coded as eligible to participate in SVI, and
- The Business Partner has not been terminated from participating in the SVI program totally.

If the Business Partner has not been terminated from SVI participation totally, they may request reinstatement for the Product Group when they have met the qualification criteria.

To re-enroll for a Product Group that has been terminated please do the following;

1. Validate the certifications are in your profile
2. Once the certifications are in the profile send an email to CEsvpsvi@sk.ibm.com if you are in CEE/RCIS, EUsvpsvi@sk.ibm.com if you are in Europe and MEsvpsvi@sk.ibm.com if you are in MEA and ask for the SVI application to be reset for that product group
3. SVI GEO Operations will confirm the certifications are in the profile, reset and send confirming email

Once the SVI application has been reset, see the section 'Requesting Approval for an Additional Product Group' in this document for instructions on how to reapply.

After each SVI Revalidation, if a Business Partner no longer meets the criteria to participate in the SVI program or if at any point, the SVI requirements are not met for the last or only Product Group for which a Business Partner was approved, their Software Value Incentive Attachment will be terminated in accordance with the contract terms. The Business Partner will be notified that they have failed the SVI enrollment criteria and will receive a termination notice informing them of their SVI Termination Effective Date.

After a Business Partner is fully terminated, the following opportunity wind down process will apply:

- The Business Partner has 30 days from the SVI Termination Effective Date to finalize any existing eligible SVI opportunities that have already closed, i.e., submit for payment or provide any required information or supporting documentation to complete the claim (30 day wind down period). In order to be eligible for payment, the IBM Sales Order Date must be before the Termination Effective Date, the opportunity must have been submitted for SVI eligibility prior to the Termination Effective Date and all other SVI criteria must be met. Opportunities that do not have a matching IBM Sales Order by the SVI Termination Effective Date will not be eligible for payment. After 30 days, the Business Partner's SVI access in Global Partner Portal and their SVI application in the PartnerWorld Profiling System (PPS) will be terminated.

- All of the Business Partner's eligible SVI opportunities that have not been closed will remain in their present SVI status in Global Partner Portal during this 30 day wind down period to allow the Business Partner to re-apply for SVI and retain their opportunities. At the end of this 30 day wind down period, if the Business Partner has not been re-approved for SVI (under existing criteria at the time of re-application), their opportunities will have their Overall SVI Status set to **Denied Participation**. If the Business Partner is re-approved for SVI within the 30 day wind down period and before the IBM Sales Order Date on any of their retained opportunities, they can be eligible for SVI fees on those opportunities provided they meet all other SVI program rules. Opportunities that close within the 30 day wind down period and before the Business Partner is re-approved for SVI will be ineligible for SVI fees.

ESCALATION

When Business Partners dispute an IBM decision, (for example, an opportunity record that IBM has denied for eligibility) they have 30 days in which to request an escalation.

To request an escalation:

- Business Partners should contact their IBM Software Business Partner Representative via e-mail. The IBM Software Business Partner Representative will review the issue with the IBM SVI Approver and the Software Channel Management Team.

- Business Partners that do not have a Software Business Partner Representative should contact PartnerWorld Contact Services (Helpdesk) via e-mail. They will engage the IBM SVI Approver and the Software Channel Management to review the issue.

COMPLIANCE

When a discrepancy is identified, IBM reserves the right to review a Business Partner's transaction documentation and contact the end user customer for resolution. IBM will make an effort to contact the Business Partner prior to our contacting the end customer in these situations. If it is determined that a Business Partner has misrepresented or falsified the information, then IBM reserves the right to take one or more of the following actions:

- Forfeit of fees
- Recovery of fees
- Termination from SVI

In order to protect Business Partners' investment in opportunity identification and active selling, IBM will periodically review submitted opportunities to determine if the Business Partner is operating in the spirit of the offering. Examples of situations that are cause for termination include but are not limited to the following:

- Registering excessive numbers of incomplete or invalid opportunities
- Constantly over inflating or understating the estimated deal revenue
- Regularly registering to sell every brand in an opportunity
- Frequently registering opportunities that never close
- Continuously registering opportunities which have recently expired
- Consistently registering additional brand content for opportunities that are already in IBM's opportunity management system
- Repeatedly providing inadequate sales documentation
- Failure to cooperate if we ask for additional documentation
- Regularly being the subject of complaints by other Business Partners

If a compliance review shows that a Business Partner on more than three occasions provided inadequate or false information or have failed to operate in the spirit of the program, IBM may exercise the PartnerWorld Agreement "right-to-terminate" clause. In this case, the Business Partner can reapply for the Software Value Incentive after a period of 12 months.

TERMINATION

Either party may terminate participation under the Software Value Incentive per the terms and conditions in the IBM PartnerWorld Agreement – International.

If a Business Partner informs us that they do not accept a revision to the Software Value Incentive Attachment, IBM may terminate their participation in this offering immediately.

If a Business Partner’s participation in this offering is terminated, IBM will notify them in writing of the process to settle any outstanding fee payments to them or repayments to us for any overpayment of adjustments of fees.

Should IBM decide to terminate a Business Partner’s participation in the Software Value Incentive, IBM will send a letter to the Primary Relationship Contact listed in their PartnerWorld Profile. If a Business Partner is terminated from SVI for cause then their membership in PartnerWorld may also be terminated.

If a Business Partner is terminated due to their SVI qualifications not being met for program participation or their last/only Product Group as a result of Revalidation, the opportunity wind down process described in the section titled Revalidation in this document will apply.

CONTACTS

Business Partner Contacts

We will use the Business Partner's PartnerWorld Primary Relationship Contact as defined in their headquarters location in their PartnerWorld profile as the single point of contact for communications regarding the Software Value Incentive offering.

We will use the Business Partner GPP Administrator(s) as the contact point for day to day Global Partner Portal SVI operations communications. If the Business Partner company has more than one GPP Administrator, then all of them will be sent the communication.

IBM Contacts

If Business Partners have questions about the Software Value Incentive offering or they need to submit required information in writing, then they should use the information below to contact IBM:

European Geography Operations Program Manager: Muriel Joset

Postal Address to submit written notices and/or inquiries

SVI Operations,
IBM International Services Centre s.r.o.
Apollo II
Mlynské Nivy 49
Bratislava 821 09
Slovakia

E-mail Address to submit inquiries or questions: JOSETM@uk.ibm.com

Telephone Number for questions:
See URL PartnerWorld Contact Services contact details:
http://www-1.ibm.com/partnerworld/pwhome.nsf/weblook/cpw_index.html

APPENDICES

Appendix A – Thresholds and Currency for SVI Fee Payment

The revenue thresholds for countries where the currency in which IBM does business is not USD are set using the same methodology that is used to set that country's product prices. This methodology was used so Business Partners would meet the threshold based on selling a similar software stack (selling the same quantity of licenses) for a given product.

Country	Currency Used	Integrated Operations Team	Integrated Market Team	Minimum Order Threshold
Albania	EUR	Europe	CEE	4,500
Algeria	USD	MEA	C&NA	5,000
Andorra	EUR	Europe	France	4,500
Angola	USD	MEA	C&NA	5,000
Armenia	USD	Europe	CEE	5,000
Austria	EUR	Europe	DACH	4,500
Azerbaijan	USD	Europe	R/CIS	5,000
Bahrain	USD	MEA	MEP	5,000
Belarus	USD	Europe	CEE	5,000
Belgium	EUR	Europe	Benelux	4,500
Bosnia and Herzegovina	EUR	Europe	CEE	4,500
Botswana	USD	MEA	C&NA	5,000
Bulgaria	EUR	Europe	CEE	4,500
Cameroon	USD	MEA	C&NA	5,000
Chad	USD	MEA	C&NA	5,000
Congo, The Democratic Republic of the	USD	MEA	C&NA	5,000
Cote d'Ivoire	USD	MEA	C&NA	5,000
Croatia	EUR	Europe	CEE	4,500
Cyprus	EUR	Europe	SPGI	4,500
Czech Republic	EUR	Europe	CEE	4,500
Denmark	DKK	Europe	Nordics	33,000
Djibouti	USD	MEA	C&NA	5,000

Egypt	USD	MEA	C&NA	5,000
Estonia	EUR	Europe	CEE	4,500
Ethiopia	USD	CEEMEA	C&NA	5,000
Faroe Islands	DKK	Europe	Nordics	33,000
Finland	EUR	Europe	Nordics	4,500
France	EUR	Europe	France	4,500
French Guiana	EUR	Europe	France	4,500
French Polynesia	EUR	Europe	France	4,500
Gabon	USD	MEA	C&NA	5,000
Georgia	USD	Europe	CEE	5,000
Germany	EUR	Europe	DACH	4,500
Ghana	USD	MEA	CEWA	5,000
Gibraltar	GBP	Europe	UKI	3,050
Greece	EUR	Europe	SPGI	4,500
Greenland	DKK	Europe	Nordics	33,000
Guadeloupe	EUR	Europe	France	4,500
Hungary	EUR	Europe	CEE	4,500
Iceland	DKK	Europe	Nordics	33,000
Ireland	EUR	Europe	UKI	4,500
Israel	USD	Europe	SPGI	5,000
Italy	EUR	Europe	Italy	4,500
Jordan	USD	MEA	MEP	5,000
Kazakhstan	USD	Europe	R/CIS	5,000
Kenya	USD	MEA	C&NA	5,000
Kuwait	USD	MEA	MEP	5,000
Kyrgyzstan	USD	Europe	R/CIS	5,000
Latvia	EUR	Europe	CEE	4,500
Lebanon	USD	MEA	MEP	5,000
Liberia	USD	MEA	C&NA	5,000
Libyan Arab Jamahiriya (Libya)	USD	MEA	C&NA	5,000
Liechtenstein	CHF	Europe	DACH	6,650
Lithuania	EUR	Europe	CEE	4,500
Luxembourg	EUR	Europe	Benelux	4,500

Macedonia, The former Yugoslav Republic	EUR	Europe	CEE	4,500
Madagascar	USD	MEA	C&NA	5,000
Malawi	USD	MEA	C&NA	5,000
Malta	EUR	Europe	SPGI	4,500
Martinique	EUR	Europe	France	4,500
Mauritius	USD	MEA	C&NA	5,000
Mayotte (FR)	EUR	Europe	France	4,500
Moldova, Republic of	USD	Europe	CEE	5,000
Monaco	EUR	Europe	France	4,500
Montenegro	EUR	Europe	CEE	4,500
Morocco	USD	MEA	C&NA	5,000
Mozambique	USD	MEA	C&NA	5,000
Netherlands	EUR	Europe	Benelux	4,500
New Caledonia	USD	Europe	France	5,000
Nigeria	USD	MEA	C&NA	5,000
Norway	NOK	Europe	Nordics	34,500
Oman	USD	MEA	MEP	5,000
Pakistan	USD	MEA	MEP	5,000
Poland	EUR	Europe	CEE	4,500
Portugal	EUR	Europe	SPGI	4,500
Qatar	USD	MEA	MEP	5,000
Reunion	EUR	Europe	France	4,500
Romania	EUR	Europe	CEE	4,500
Russian Federation	USD	Europe	R/CIS	5,000
Rwanda	USD	MEA	C&NA	5,000
San Marino	EUR	Europe	Italy	4,500
Saudi Arabia	USD	MEA	MEP	5,000
Senegal	USD	MEA	C&NA	5,000
Serbia	EUR	Europe	CEE	4,500
Seychelles	USD	MEA	C&NA	5,000
Slovakia	EUR	Europe	CEE	4,500
Slovenia	EUR	Europe	CEE	4,500
South Africa	ZAR	MEA	South Africa	40,000

Spain	EUR	Europe	SPGI	4,500
Sweden	SEK	Europe	Nordics	40,500
Switzerland	CHF	Europe	DACH	6,650
Tajikistan	USD	Europe	R/CIS	5,000
Tanzania	USD	MEA	C&NA	5,000
Tunisia	USD	MEA	C&NA	5,000
Turkey	USD	Europe	CEE	5,000
Turkmenistan	USD	Europe	R/CIS	5,000
Uganda	USD	MEA	C&NA	5,000
Ukraine	USD	Europe	R/CIS	5,000
United Arab Emirates	USD	MEA	MEP	5,000
United Kingdom	GBP	Europe	UKI	3,050
Uzbekistan	USD	Europe	R/CIS	5,000
Vatican State	EUR	Europe	Italy	4,500

Appendix B – Countries in Open Distribution

Countries that are in Open Distribution are countries in which IBM has not fully implemented the authorized distribution model. These countries can be identified by following the link to "List of Countries Where Authorization is Required" on www.ibm.com/partnerworld/svp. If a country is **not** on this list, then it is a country in Open Distribution, and the unique SVI participation requirements outlined in this Appendix apply in that country.

Authorization for a Product Group

For countries in Open Distribution, all Product groups are considered "open".

The requirements to be authorized to be eligible for SVI fees in general are that a Business Partner must have:

- Two or more current SVI qualifying technical certifications and/or technical Sales mastery
- One Sales Mastery

To be authorized to register opportunities for a specific Product Group, a Business Partner must have at least one qualifying technical certification in the Brand/Division to which the product belongs.

Selecting Product Groups at the Time of SVI Enrollment

For countries in Open Distribution, Business Partners should request SVI authorization for a specific Brand/Division by requesting approval for all of the Product Groups that make up that Brand/Division. So for example, if the Business Partner is requesting approval for the Commerce brand, they should request approval for all Product Groups per the SVI Eligible Part Number list on the Software Value Incentive website, http:www.ibm.com/partnerworld/softwarevalueincentive.

Revalidation Rules

For countries in Open Distribution, the Business Partner must have the following in order to continue to participate in SVI:

- Two or more current SVI qualifying technical certifications and/or technical mastery
- One Sales mastery

To remain authorized to register opportunities for a specific Product Group, a Business Partner must have at least one qualifying Technical certification and or Technical Sales mastery in the Brand/Division.

Appendix C – Eligible Sales Documentation when a Business Partner is Teaming on an Opportunity

When a Business Partner has worked jointly with either IBM or another Business Partner on an opportunity or services proposal, some additional requirements apply to Eligible Sales Documentation in addition to the requirements outlined in the Definitions section of this document.

Teaming with IBM

For Business Partners who worked jointly with IBM on an opportunity or services proposal (delivered by IBM or the Business Partner), where the Business Partner authored the documentation jointly with IBM, and/or the Business Partner was a sub-contractor to IBM, then the documentation submitted for SVI must be accompanied by a letter from the IBM contact confirming the joint development of the documentation.

Teaming with another Business Partner

For Business Partners who worked jointly with another Business Partner on an opportunity or services proposal as in the scenario below, the following documentation rules apply.

Scenario: SVI Business Partner A registers an opportunity for SVI and is approved for Identify and Sell. Business Partner B is assisting Business Partner A in closing the opportunity in some role such as consultant, SI, ISV, etc.

We allow SVI Business Partner A to work an opportunity together with Business Partner B and submit sales documentation created by either firm under the following conditions:

- Business Partner A must be enrolled in and meet all the necessary certification requirements for SVI.
- Business Partner B must be enrolled in PartnerWorld®.
- The opportunity must be registered by Business Partner A and submitted for SVI eligibility in the country (or legal group) where the licenses will be purchased.
- If Business Partner B is not part of the same PartnerWorld® Worldwide Enterprise as Business Partner A, a two-way communication letter or e-mail note is required from Business Partner A and B confirming the relationship between the Business Partners on this opportunity. This letter is an additional attachment over and above documents submitted to satisfy the three criteria for Sales Documentation outlined above. If Business Partner A and Business Partner B are both in the same PartnerWorld® Worldwide Enterprise, then this relationship letter is not required.
    - Information should include individuals from each company working on the opportunity
    - Clear definition of roles and responsibilities by Company A and Company B
- The relationship letter must be in place before the IBM Sales Order Date and attached to the opportunity record before SVI Business Partner A requests payment for the opportunity.
- At least one sales document required for SVI must be produced by SVI Business Partner A.
- Both Business Partners must participate in the sales effort on the opportunity and the sales documentation must be prepared for and communicated with the end-user customer in the country (or legal group) in which the opportunity is registered.
- IBM will not do any sharing of fees. If all other SVI rules are met, IBM will process payment to Business Partner A.

Appendix D – Hard Copy Contracts

The table below indicates which countries require a hand-signed copy of the terms and conditions, in addition to electronic acceptance. In these countries, IBM cannot approve a Business Partner's SVI enrollment until we receive the signed copy of the agreement from the Business Partner and IBM has countersigned (where required).

Business Partners in these countries must complete the following tasks:

1. Print two copies of the SVI terms and conditions.
2. Ask an authorized person from their company to sign both copies.
3. Mail the signed copies of the SVI terms and conditions to the designated address provided in the contact list specified below the country table.
4. IBM will return one signed copy to the Business Partner's Primary Relationship Contact as defined in their headquarters location in their PartnerWorld profile.

For the IBM PartnerWorld Agreement – International – Software Value Incentive Attachment, IBM requires hand signatures in the following countries and any others IBM may specify to you. Unless otherwise noted, only the Business Partner's signature is required. IBM's signature requirements are subject to change.

Afghanistan Albania Algeria Armenia (2) Bahrain Belarus (2) Benin Bosnia and Herzegovina Botswana Bulgaria Burkina Faso Burundi Cameroon Cape Verde Central African Republic Chad Congo Congo, The Democratic Republic of the Côte d'Ivoire Croatia Djibouti Equatorial Guinea Eritrea Ethiopia Gabon Gambia Georgia (2)	Ghana Guinea Guinea-Bissau Hungary Iceland Irak Italy (3) Jordan Kazakhstan (2) Kenya Kuwait (2) Kyrgyzstan (2) Lebanon (2) Lesotho Liberia Libyan Arab Jamahiriya Macedonia, Madagascar Malawi Mali Mauritania Moldova, Republic of Morocco Mozambique Namibia Niger Oman (2) Palestinian Territory,Occupied (PS)	Poland Qatar (2) Romania Russian Federation (2) Rwanda São Tome and Principe Saudi Arabia (2) Senegal Serbia (2) Seychelles Sierra Leone Somalia South Sudan Sudan Swaziland Syrian Arab Republic Tajikistan (2) Tanzania, United Republic of Togo Tunisia Turkey Turkmenistan (2) Turkey Uganda Ukraine United Arab Emirates (2) Uzbekistan (2) Yemen Zambia Zimbabwe

- (1) No fax, no photocopy
- (2) Requires both Business Partner and IBM signatures
- (3) Italian Country Unique PWA must be signed only when Italian participant receives benefits from IBM Italia

The following is the mailing address for Partners that accept the Software Value Incentive terms and conditions by hand-signing a paper copy of the terms and conditions:

SVI Operations,
IBM International Services Centre s.r.o.
Apollo II
Mlynské Nivy 49
Bratislava 821 09
Slovakia

Appendix E – GPP Status Code

Step	**Activity**	**Overall SVI Status**	
1 or 3	Either a.) The opportunity has not yet been submitted to IBM for SVI eligibility or b.) The opportunity has been returned to the Business Partner because it was Incomplete.	Draft	
2	Opportunity is Submitted to IBM for SVI Eligibility by Business Partner.	Duplicate Opportunity Search	
3	Duplicate Opportunity Search has been completed by IBM.	Waiting Eligibility Decision	
3	IBM made eligibility decision – All revenue records in opportunity are eligible.	Eligible Full Participation	Detail Status in each Revenue Record
3	IBM made eligibility decision – Some revenue records in opportunity are eligible and some are not eligible.	Eligible Partial Participation	Detail Status in each Revenue Record
3	IBM made eligibility decision - None of the revenue records in opportunity are eligible.	Denied Participation	Detail Status in each Revenue Record
5	Business Partner has submitted opportunity to IBM for Payment Request.	Waiting Order Validation	
6	IBM has found the matching IBM sales order for the opportunity.	Waiting Sales Verification	
6	IBM was not able to match the opportunity to a sales order	Sales Order Not Found	
6	IBM approves Sales criteria met for one or more revenue records in the opportunity.	Reviewing Payment Rules	Detail Status in each Revenue Record
6	IBM determines Sales criteria not met for any revenue records in the opportunity.	Denied for Payment Processing	Detail Status in each Revenue Record
6	Overall SVI Status updates based on feedback from the SVP Small Deal Rewards process.	SVI Rebate Paid SVI Rebate Paid Partial SVI Rebate Denied	
7	Overall SVI Status updates based on feedback from the payment processing system	Approved for Payment Approved for Partial Payment Paid Paid Partially Not Payable	Detail Payment Processing Status in Revenue Record
Multi	The Opportunity's Expiration Date has	Expired	

	passed.		
Multi	The Opportunity has been Withdrawn by the Business Partner.	Withdrawn	

Appendix F – BANT Template

- Please use the latest version of the BANT template (V3.3.1). We will also accept the BANT form template V3.3 if all required information is provided

SOFTWARE VALUE INCENTIVE
Budget Authority Need Timeframe (BANT) Criteria Template v3.3.1

- Register only validated opportunities (Sales Stage 4 or higher)
- Refer to the SVI Operations Guide for additional details on BANT requirements.
- This BANT Criteria Template is considered **mandatory**. All fields are required. (NOTE: either in the form or in GPP or in both as per the instructions.)
- Opportunity records lacking descriptions of a Customer's Budget, Authority, Need, Business Problem and Timeframe (BANT) will be rejected as incomplete.
- Please save your attachment with a document name that includes the opportunity number and account name (example: "BANT for XYZ Company 1JF-ABCDE.doc")

1. END USER:

SVI Opportunity Number:	
Project Name: (Also enter the Project Name in the Description Field in the GPP tool.)	

List all Customer names that might be used for this software purchase. This could include abbreviations, agencies, departments, etc. This information is required to ensure payment as well as for duplicate opportunity check.	
An eligible End User is anyone, who is not part of the Enterprise of which you are a part, who acquires Products for its own use and not for resale. An Enterprise is any legal entity including the subsidiaries it owns by more than 50% percent.	
Is this End User part of the Enterprise of which you are a part?	
Is this customer a government customer which includes Federal, State and Local government?	

2. PASSPORT ADVANTAGE: *Your VAD can assist you in determining if the customer has a current Passport Advantage contract and advise you of the full legal name and address that appears on the contract.*

Passport Advantage Agreement # (5 digits)	
Passport Advantage Site # (7 digits)	

Does the customer have a Passport Advantage contract?	

What is the Customer Name and Address as it appears on the Passport Advantage Contract (either current contract, or contract to be established) under which the licenses will be purchased and delivered to.
In the GPP tool, enter the Sold-To Name and Address in the Account record.

3. BUDGET:

Describe how / if / when budget has been, or will be, identified and approved for this project.

4. AUTHORITY:

Include at least one Customer C-level or Line-of-Business Executive on the Contacts tab in the GPP record or below in the section . First Name, Last Name, Title, Phone and Email are mandatory fields. Procurement and Purchasing contacts are not valid executive decision makers.

5 NEED:

What is the name of the suggested IBM middleware software? If available, please include the Passport Part Number(s) or full name of IBM Middleware being proposed for this solution.

6 BUSINESS PROBLEM:

Describe the customer's business problem and the key benefits of the proposed solution using IBM middleware:

7 TIMEFRAME:

What is the timeline of key decision milestones, and what decision criteria will be used?
Enter the forecasted “close date” on the Revenue Tab in the GPP record. This is a mandatory field and should be after the submit date for SVI Eligibility timestamp..

8. Opportunity Identification: *Please tick the correct box below, to show who identified the opportunity.*

Business Partner identified opportunity, eligible for Identify and Sell Fees.	
IBM identified opportunity, eligible for Sell Only Fees.	

BANT information Examples

The following examples are acceptable descriptions of a customer’s business problem (see question 6) and key benefits of the proposed solution using IBM middleware:

- Customer is having problems tracking sales opportunities and forecasting revenue. Proposing a Sales Force Automation Solution to allow sales team to track and forecast opportunities and maintain contact information using Domino and Lotus Notes.
- Customer is having problems receiving timely product shipments from its suppliers. Proposing Supply Chain Automation solution connecting suppliers directly to order system using Informix and WebSphere
- Customer needs to improve customer satisfaction and customer access to order information. Proposing a CRM solution that allows customers access to all account and order statuses using Rational and WAS.
- Customer needs to manage remote UNIX servers from a central location, including user management and software updates and distribution. Proposing centralized systems management solution with two Tivoli modules

The following examples are incomplete and unacceptable descriptions for the Business Problem:

- Customer Ordered DB2
- Tivoli Software Opportunity
- Building Web application

The following BANT information example is acceptable:

- Budget. The management committee has approved the budget, which is available August 2006. The customer has budgeted $550,000 for the entire project:

  $135,000 hardware, $65,000 IBM software, $200,000 ISV software, $150,000 implementation services

- Authority. The decision maker is Jane Wilson, Vice President of Sales. She selects the final architecture and vendor.

  Key influencers include: John Smith CIO, Sally Swanson – CFO, Jim Johnson – Director of Sales for Bedding Division

- Need: The customer needs a total ERP solution for a new division. We are proposing an ERP solution that runs on an I-Series, Our solution is similar to what is used in the customer's other divisions. The IBM middleware portion of the solution is WebSphere Application Server and WebSphere Portal.
- Timeline: The architecture decision is due by April 30th. The objective is for manufacturing to start in volume by August with first store shipments by October 1, 2009.

The following BANT information is incomplete or insufficient:

- Budget: The customer is budgeting $550,000 for the entire project.
- Authority: The decision maker is Jane Wilson, VP of Sales.

- Need: The customer needs a new ERP package. We are proposing ERP solution running on an I-Series.Timeline: Purchase date September.
- Timeline: Purchase date September.

Appendix G –Russian Payment Process

In Russia, there are two possible ways to be paid: you can choose the traditional way through international payment or a different way through IBM East Europe/Asia in Russian Federation. Please pay attention that the second option means 7.5% service charge.

In order to be paid with the second option, you have to sign a special amendment to SVI agreement and send a signed copy to:
IBM East Europe/Asia, (attention of Inna Khan)
10 Presnenskaya nab.,
Moscow 123317, Russia.

If you want to change your payment method, you should send an email to EMEASVI_Payments@sk.ibm.com with the request and the Sales Program Managers on copy. The SVI Payment team will provide the amendment to the agreement via mail with the first invoice request after BP's declaration of choosing payment process though IBM East Europe/Asia.

1. International payment through IBM WTC

In case of international payment through WTC, it is necessary to complete both a Statement of Work and an Acceptance Act (Statement of Supplying and Receiving Services) due to the specific country laws in Russia. This is mandatory for every invoice that is sent to IBM when requesting the payment of SVI Fees.

The exact process to follow when you send an invoice to IBM for SVI fees is as follows:

Read and then print two copies of both the Statement of Work and Acceptance Act (Statement of Supplying and Receiving Services). Then complete the following sections of these documents. Please note that this document is a bilingual document and it is important that you complete both the English and Russian Language sections of the document. It is also important to note that this process needs to be completed for each invoice that you send to IBM.

Statement of Work

DESCRIPTION OF DELIVERABLES AND SERVICES

- Complete your full Business Partner Company name in the two sections shown.
- Complete the amount of the invoice being sent to IBM in the two sections shown.
- Complete the period to which the invoice relates in the two sections shown.

SUPPLIER’S RESPONSIBILITIES

- Complete your full Business Partner Company name in the section shown.

PAYMENTS

- Complete your full Business Partner Company name in the section shown.

<Company name> Bank details:

- Complete your full Business Partner Company name in the section shown.
- Complete the full name and address details of your local bank in Russia.

Agreed to

- Complete your full Business Partner Company name in the section shown.
- Have an authorized signatory on behalf of your company sign both copies of the contract.
- Clearly print the full name and Job Title of the person above, who has signed the contract.
- Clearly write the date on which the contract was signed.
- Complete your full Business Partner Company address details.

Act

Statement

- Show details of the invoice number that you are sending to IBM in the two Sections shown.
- Complete your full Business Partner Company name in the section shown.
- Complete the section that details the amount of the invoice that you are sending to IBM including the Net Invoiced Amount, the VAT amount and the Total Invoice Amount.

Agreed to

- Have an authorized signatory on behalf of your company sign both copies of the contract.
- Clearly print the full name and Job Title of the person above, who has signed the contract.
- Clearly write the date on which the contract was signed.

- In order to help you complete these contracts, you will see two sample completed files on the PartnerWorld Website that can be used as a guide.

Once all items above are completed, please send both copies, of both the Statement of Work and Acceptance Act (Statement of Supplying and Receiving Services) along with your actual invoice to IBM, to the following address:

IBM Russia
Office 211
Presnenskaya emb.,10/block A
123317 Moscow
Russia

(PLEASE DO NOT PRINT THIS ADDRESS ON YOUR INVOICE)

IBM will then arrange for both copies Statement of Work and Acceptance Act (Statement of Supplying and Receiving Services) to be countersigned by IBM. Then, we will return one original copy of both documents to you for your records. After this, we will begin to process your payment through the SVI Payment process.

2. Payment through IBM East Europe/Asia

As stated above, please remember that in order to be paid through IBM East Europe/Asia, you have to sign a special amendment to SVI agreement and send a signed copy to:

IBM East Europe/Asia, (attention of Inna Khan)
10 Presnenskaya nab.,
Moscow 123317, Russia.

You should send it together with the first invoice you want to be paid through IBM East Europe/Asia.

Apart of above it is necessary, due to the specific country laws in Russia, to complete both an Acceptance Act (Statement of Supplying and Receiving Services) and a VAT invoice. This is mandatory for every invoice that is sent to IBM when requesting the payment of SVI Fees.

An Acceptance Act (Statement of Supplying and Receiving Services)

Statement #

• Show details of the invoice number that you are sending to IBM in the two Sections shown.
• Complete your full Business Partner Company name in the section shown.
• Complete the section that details the amount of the invoice that you are sending to IBM including the Net Invoiced Amount, the VAT amount and the Total Invoice Amount.

Agreed to

• Have an authorised signatory on behalf of your company sign both copies of the contract.
• Clearly print the full name and Job Title of the person above, who has signed the contract.
• Clearly write the date on which the contract was signed.
• In order to help you complete these contracts, you will see two sample completed files on the PartnerWorld Website that can be used as a guide.

Please send all the copies of the Acceptance Act (Statement of Supplying and Receiving Services) and a VAT invoice along with your actual invoice to IBM, to the following address:
IBM East Europe/Asia, (attention of Inna Khan)
10 Presnenskaya nab.,
Moscow 123317, Russia.

IBM will then arrange for a copy of the Acceptance Act to be countersigned by IBM. Then, we will return one original copy of it to you for your records. Finally, we will begin to process your payment through the SVI Payment process.

Appendix H- Skills Approval Zone Countries

EMEA (Europe/MEA)

AFGHANISTAN
ÅLAND ISLANDS
ALBANIA
ALGERIA
ANDORRA
ANGOLA
ARMENIA
AUSTRIA
AZERBAIJAN
BAHRAIN
BELARUS
BELGIUM
BENIN
BOSNIA AND HERZEGOVINA
BOTSWANA
BOUVET ISLAND
BRITISH INDIAN OCEAN TERRITORY
BULGARIA
BURKINA FASO
BURUNDI
CAMEROON
CAPE VERDE
CENTRAL AFRICAN REPUBLIC
CHAD
COMOROS
CONGO
COTE D'IVOIRE (IVORY COAST)
CROATIA
CYPRUS
CZECH REPUBLIC
DENMARK
DJIBOUTI
EGYPT
EQUATORIAL GUINEA
ERITREA
ESTONIA
ETHIOPIA
FALKLAND ISLANDS (UK)
FAROE ISLANDS (DENMARK)

FINLAND
FRANCE
FRENCH
GUYANA
FRENCH
POLYNESIA
FRENCH
SOUTHERN
TERRITORIES
GABON
GAMBIA
GEORGIA
GERMANY
GHANA
GIBRALTAR
(UK)
GREECE
GREENLAND
(DENMARK)
GUADELOUPE
(FR)
GUERNSEY
GUINEA
GUINEA-BISSAU
HOLY SEE
(VATICAN CITY
STATE)
HUNGARY
ICELAND
IRAN, ISLAMIC
REPUBLIC OF
IRAQ
IRELAND
ISLE OF MAN
ISRAEL
ITALY
JERSEY
JORDAN
KAZAKHSTAN
KENYA
KUWAIT
KYRGYZSTAN
LATVIA
LEBANON
LESOTHO
LIBERIA
LIBYAN ARAB
JAMAHIRIYA
(LIBYA)
LIECHTENSTEIN
LITHUANIA
LUXEMBOURG
MACEDONIA,
THE FORMER
YUGOSLAV
REPUBLIC OF
MADAGASCAR

MALAWI
MALI
MALTA
MARTINIQUE (FR)
MAURITANIA
MAURITIUS
MAYOTTE (FR)
MOLDOVA, REPUBLIC OF
MONACO
MONTENEGRO
MOROCCO
MOZAMBIQUE
NAMIBIA
NETHERLANDS
NEW CALEDONIA
NIGER
NIGERIA
NORWAY
OMAN
PAKISTAN
PALESTINIAN TERRITORY
PITCAIRN (UK)
POLAND
PORTUGAL
QATAR
REUNION (FR)
ROMANIA
RUSSIAN FEDERATION
RWANDA
SAINT BARTHÉLEMY
SAINT MARTIN
SAINT PIERRE AND MIQUELON
SAN MARINO
SAO TOME AND PRINCIPE
SAUDI ARABIA
SENEGAL
SERBIA
SEYCHELLES
SIERRA LEONE
SLOVAKIA
SLOVENIA
SOMALIA
SOUTH AFRICA
SOUTH GEORGIA AND THE SOUTH SANDWICH ISLANDS

SPAIN
ST. HELENA
(UK)
SUDAN
SVALBARD AND
JAN MAYEN
(NORWAY)
SWAZILAND
SWEDEN
SWITZERLAND
SYRIAN ARAB
REPUBLIC
TAJIKISTAN
TANZANIA,
UNITED
REPUBLIC OF
TOGO
TUNISIA
TURKEY
TURKMENISTAN
UGANDA
UKRAINE
UNITED ARAB
EMIRATES
UNITED
KINGDOM
UZBEKISTAN
VANUATU
WALLIS AND
FUTUNA (FR)
WESTERN
SAHARA
YEMEN
ZAMBIA

Appendix I – Software as a Service (SaaS) and SVI

In April 2013, IBM introduced Software as a Service (Saas) products into SVI. SaaS will have special requirements for opportunity creation in GPP and payment. SaaS part numbers are on the SVI Eligible Parts list under the ‘Other Products Section’.

- For an IBM Billing Order Date on or after January 1st, 2017, if the term of the subscription is less than 12 months, the invoice is ineligible for SVI fee payment.
- For an IBM Billing Order Date on or after January 1st, 2017, the maximum SVI fee payment for SaaS opportunities is changed to 150,000 USD per Business Partner per transaction.
- For **New** claims submitted on or after January 1st, 2017, IBM will stop paying SVI fee payments if the SaaS subscription is in a renewal period or in continuous billing. Claims submitted before January 1st, 2017, with an IBM Billing Order Date on or after April 1st, 2017 are not eligible for SVI fee payments on SaaS renewals or continuous billing.

Eligible Transactions

Business partners may only earn SVI fees when the SaaS opportunity is fulfilled by the IBM direct sales team. SVI fees will *not* be paid on SaaS opportunities which are fulfilled by a Business Partner as SaaS instant rebates apply. Transactions must be fulfilled via Passport Advantage part numbers. Support Provider transactions do not qualify for SVI fees.

Eligible Products

Qualifying SaaS part numbers are included on the SVI Eligible Part Number list under the ‘Other Products’ section. Products which are eligible for the Smarter Commerce SaaS Referral Incentive are *not* eligible for SVI fees (https://www-304.ibm.com/partnerworld/wps/servlet/ContentHandler/swg_com_sfw_sc_saas/lc=en_ALL_ZZ)

Additional Requirements

SaaS opportunities must be registered separately from perpetual license sales using the correct Brand Family per the SVI Eligible Part Number list. If end user customer is unsure whether to implement SaaS products, you must enter a separate SVI opportunity in GPP for the non SaaS products. Each opportunity should reference the other one in the ‘Opportunity Description’ or ‘Comments for SVI’ field. SVI Opportunities with both SaaS and non SaaS Brand Families will not be approved.

For any SaaS product revenue record in an opportunity, the dollar value entered into the Price and Revenue fields of the revenue record should be the forecasted annual contract value for Subscription and Daily part numbers. The Business Partner should not forecast the total, quarterly or monthly contract value or include the contract value for On-demand, Set-up, anticipated Overage, etc. part numbers.

When Submitting for Payment, the Charge Agreement Number should be entered in the opportunity ‘Comments for SVI’ field. Please note that each opportunity can only be matched to a single Charge Agreement Number. If the transaction will be billed via multiple charge agreements, then multiple opportunity records must be registered

SVI Business Rules

SVI fees will only be paid when IBM Direct Channel fulfills the product. Normal SVI requirements must still be met except there is no minimum threshold. This includes but not limited to:

- SVI opportunity must be registered prior to sales order date
- Request Payment no more than 30 days before the Sales Order Date and not more than 60 days after the Sales Order Date
- Proof of Marketing Assist of End User's Buy Decision

SVI Fees

Initial payments for SaaS opportunities will follow the standard SVI fee schedule. Subsequent payments for SaaS Claims will be held and aggregated until the payment threshold reaches $1000 USD or six months from the previous payment date has passed, whichever comes first.

NOTE: Billings for IBM SaaS products occur around the 23 day of the month. If the SaaS Charge Agreement is set up as monthly, then billings are in arrears. If SaaS Charge Agreement is set up as annual or quarterly, then billings are in advance of the billing period.

Appendix J – SVP Small Deal Rewards

Effective July 2014 IBM is introducing an alternative way to receive the SVI Fee payment when the end user customer has been designated as Enterprise Non-Select or Commercial and additional requirements are met.

This option requires the SVI Business Partner to share details of the SVI Opportunity with their VAD. The SVI Fee payment will then be implemented as a rebate through the VAD if the VAD chooses to do so.

If the SVI Opportunity meets the criteria for SVP Small Deal Rewards and the Business Partner has requested payment via SVP Small Deal Rewards, they are not required to attach SVI sales documentation.

If the deal is won and the SVI Business Partner will be fulfilling the order and the SVI Opportunity meets the following requirements, the SVI Business Partner can discuss SVP Small Deal Rewards with their VAD. This discussion **MUST** take place prior to requesting payment in GPP.

Following are the requirements that **must** be met. (No exceptions!)

- SVI Opportunity has an Overall SVI Status of Eligible Full or Eligible Partial Participation
- End user Passport Advantage contract is NOT defined as ELA
- End user Passport Advantage contract is NOT defined as Government/Public Sector
- The SVI opportunity is against a single sales order
- The SVI opportunity is NOT a Support Providing Transactions
- The SVI opportunity is for on-premise part numbers i.e. is NOT SaaS
- The end user on the SVI Opportunity is designated as Enterprise Non-Select or Commercial
- To be eligible for the rebate, for all revenue line items, they should all be marked as Net New
- All revenue line items have SVI Payment Status as blank
- The SVI Business Partner will NOT be using a Value Advantage Plus solution id
- The SVI opportunity has been submitted at least 15 days prior to 'potential' sales order date
- The SVI opportunity is NOT expired
- The SVI opportunity is less than USD 25K (if you have any doubt about the conversion of your local currency into the US Dollar, please contact your local representative)
- The part numbers are on the SVI Eligible Parts List AND the SVI revenue records contain the correct brand family

The SVP Small Deal Rewards checklist should be filled out prior to discussion with the VAD. This checklist can be found at https://www.ibm.com/partnerworld/softwarevalueincentive.

If the SVI Opportunity meets the above requirements and the pricing has been provided by the VAD, the following steps need to be completed **PRIOR** to the VAD placing the order with IBM:

1. Update the opportunity header in GPP to 07 – Won / Implementing. Only Opportunities that have a sales stage set to 07 and which are currently in **Eligible Full Participation** or **Eligible Partial Participation** status can be submitted for payment request.

2. Tick the “Fulfilling Business Partner” check box in the opportunity header when the SVI tab is open.
3. Ensure that the information in the opportunity is correct and up to date, most particularly that the revenue field in the revenue records closely approximates the end user’s suggested volume price or special bid price for the products.
4. Enter the Passport Advantage site number agreement number in the SVI opportunity header
5. Click the Opportunity Registration view tab.
6. Click New.
7. Click the Incentive Name field control icon.
8. The Incentive Name window displays, showing a list of incentives that are available in your country.
9. Click the chevron (>) next to *SVP Small Deal Rewards Rebate Request*
10. Click Pick.
11. Click the Incentive Status field arrow.
12. Click Submitted for eligibility.
13. Click Save.
14. The opportunity will now be marked as being submitted for SVP Small Deal Rewards
15. The Overall SVI Status will change to ‘Rebate Requested’ and the revenue records are locked.

After the prior steps have been completed your VAD can now place order with IBM.

NOTE: Once payment has been requested via SVP Small Deal Rewards, you cannot submit the opportunity for ‘standard’ SVI Payment.

Appendix K – Monthly License

Effective June 1, 2015, IBM introduced Monthly Licensing parts into SVI. Monthly License will have special requirements for payments. Monthly Licensing part numbers are on the SVI Eligible Parts list under the 'Other Products' section.

For any SVI payment requests submitted on or after December 15, 2015, the following requirements apply:

Eligible Transactions

<u>Business partners may earn SVI fees when the SVI opportunity meets the following requirements:</u>

Transactions must be fulfilled via Passport Advantage part numbers. This includes both Passport Advantage and Passport Advantage Express. SVI will only pay on monthly licensing transactions up to a maximum of 48 months. Support Provider transactions do not qualify for SVI fees.

Eligible Products

Qualifying Monthly Licensing part numbers are included on the SVI Eligible Part Number list under the 'Other Products' section.

Additional Requirements

For any Monthly Licensing product revenue record in an opportunity, the dollar value entered into the Price and Revenue fields of the revenue record should be:

- The forecasted total contract value for all billing options
- For mixed perpetual and monthly licensing revenue records, the forecasted amount of perpetual license plus total contract value of monthly license.

When Submitting for Payment, the Charge Agreement Number should be entered in the opportunity 'Comments for SVI' field. Please note that each opportunity can only be matched to a single Charge Agreement Number. If the transaction will be billed via multiple charge agreements, then multiple opportunity records must be registered.

Business Partners can work with their VAD to determine the Charge Agreement Number for transactions they resold. If the transaction was fulfilled by IBM, Business Partners can work with their IBM rep to determine the Charge Agreement Number.

If the SVI opportunity contains Passport Advantage Software that has both perpetual and monthly licensing part numbers, both the Charge Agreement number and the Sales Order number should be entered in the 'Comments for SVI' field prior to submitting the payment request.

SVI Business Rules

Normal SVI requirements must still be met. This includes but not limited to:

- SVI opportunity must be registered prior to sales order date

- Request Payment no more than 30 days before the Sales Order Date and not more than 60 days after the Sales Order Date
- Proof of Marketing Assist of End User's Buy Decision

SVI Fees

Initial payments for Monthly Licensing opportunities will follow the standard SVI fee schedule. Subsequent payments for Monthly Licensing Claims will be held and aggregated until the payment threshold reaches $1,000 USD or six months from the previous payment date has passed, whichever comes first.

SVI will only pay on Monthly Licensing transactions up to a maximum of 48 months.

NOTE: If the Monthly Licensing Charge Agreement is set up as monthly, then billings are in arrears. If Monthly Licensing Charge Agreement is set up as upfront, annual or quarterly, then billings are in advance of the billing period.

Appendix L: End User Determination Appeal Process

In the case that IBM cannot process an incentive because the End User is classified as a non-commercial entity, then Business Partners may appeal the designation in certain situations as outlined below.

Entering into an appeal requires the Business Partner to document knowledge about the End User's ownership (both economic as well as voting rights). There is no guarantee that IBM will agree to change the classification of the End User. The final determination of whether an End User is a commercial entity will be made in IBM's sole discretion after evaluating the information provided by the Business Partner as well as performing additional checks with IBM sources of data.

In the case that the Business Partner can provide evidence then the following are minimum criteria for an appeal.

a) The total opportunity revenue, as entered in the revenue records, must be $50,000 USD or more. In the case that the Business Partner has multiple opportunities for the same End User when submitting for eligibility or payment claim, then the total revenue can be aggregated across the currently active opportunities.

b) The Business Partner has sources of information which show that the End User can be classified as a non Government Owned Entity according to IBM's definition.

c) The Business Partner follows the processes as outlined in the email. This includes responding to the IBM email notice that informs the Business Partner that the End User designation is not commercial and that they have an option to appeal. This also includes submission of a completed template within 30 calendar days of receiving the notice.

Incomplete or late templates will be returned. Repeated non successful attempts to appeal without sufficient evidence are to be avoided and in the case of misuse of the process, IBM may limit the Business Partner in terms of future appeals.

For any further questions, please send your inquiry to:

BPSO Task id	Geography
GOEcust@sk.ibm.com	Europe, Latin America, Middle East & Africa, and North

NOTE: The End User Determination Appeal Process is being rolled out across IBM geographies throughout 2016. Please direct any questions regarding specific country availability of the appeal process to the task id listed above.