

IBM PULLING ACES WITH DATA MANAGEMENT 4Q BUSINESS PARTNER CHALLENGE OFFICIAL RULES

VOID WHERE PROHIBITED. OPEN TO IBM PASSPORT ADVANTAGE BUSINESS PARTNERS IN THE UNITED STATES ONLY EXCEPT PUERTO RICO (SEE "ELIGIBLE PARTICIPANTS" BELOW).

1. **ELIGIBLE PARTICIPANTS:** The Pulling Aces with Data Management 4Q Business Partner Challenge (the "Challenge") is sponsored by the IBM Americas Data Management software sales organization a division of International Business Machines Corporation (IBM). It is a 4Q2004 IBM Business Partner incentive. "Eligible Participants" are defined as follows: (i) Authorized IBM PartnerWorld for Software Business Partner (Business Partner) companies in good standing (software resellers that acquire software products from IBM authorized Distributors under Passport Advantage and remarket such software to end users). Eligible Participants must remain authorized IBM Business Partners in good standing until December 31, 2004 to qualify for awards. The following are not eligible for this Challenge: individual employees/sales professionals of the Business Partners and IBM, and, in each case, their representatives or agents, and any persons with whom any of the foregoing are domiciled. Only Business Partner companies located in the United States are eligible.
2. **ELIGIBLE REVENUE:** To be eligible for awards, Eligible Participants' eligible revenue dated between October 1, 2004 and December 31, 2004 must be processed by the Value Added Distributor by midnight on December 31, 2004. Only Passport Advantage transactions for End User, as defined in the IBM Business Partner Agreement, new license SKU's will qualify. All Information Management new license SKU's qualify. Renewal and Reinstatement transactions will not be eligible. Qualifying transactions must be registered in IBM's Siebel System, via the PartnerWorld for Lead Management System or via an IBM employee entering the record, into IBM's Siebel system at least 14 calendar days prior to the date the order is received by IBM. IBM will provide a promotion code that must appear in the Siebel record in order to qualify a transaction for the Challenge. Sales entries that include products sold and then subsequently accepted for return or exchange will be disqualified. Transactions placed for Business Partner internal use are excluded. Only products acquired directly through IBM Passport Advantage sales achievements are eligible. Eligible revenue is defined as the eligible transaction revenue minus any product returns or other applicable adjustments. IBM reserves the right to audit sales eligibility and in the event of any dispute, and the decision of IBM is final.

Eligible Attainment is determined by using the transaction Suggested Volume Price (SVP), as determined by IBM, for Eligible Products, on the date IBM receives the order, for orders received beginning on October 1, 2004 and ending on December 31, 2004.

3. **CHALLENGE DETAILS AND AWARDS:**

Sales Challenge Name: Pulling Aces with Data Management 4Q Business Partner Challenge

Timing: Awards will be announced in January 2005 for sales from October 1, 2004 – December 31, 2004. Odds of winning will depend upon the number of eligible entries received. All sales must be processed by midnight (Distributor time zone) on December 31, 2004 to qualify for the awards.

Requirements: Awards will be provided to Business Partners generating the most revenue. Business Partners will be segmented into three distinct groups: Small, Medium, Large, based on DB2 Information Management brand new license sales revenue from October 1, 2003 through September 30, 2004. Business Partners new in 4Q2004 will automatically be placed in the small category. A trip, of equal value, will be awarded to each segment winner based on revenue attainment. Qualifying transactions must have a minimum of thirty five thousand US dollars new, recognized SVP license revenue. Renewal and Reinstatement transactions will not be eligible. Small and Medium Business (SMB) transactions will count 2x – i.e., revenue will be doubled for purposes of this Challenge only. Business Partners will not be paid on 2x revenue. SMB accounts are defined as SMB within IBM's Passport Advantage agreements.

In addition, IBM will award a DB2 leather jacket to the Business Partner company for each transaction that meets a minimum value of thirty five thousand US dollars new license revenue. Multiple transactions for the same product and same End User in a single month will be considered one transaction unless multiple purchase orders are issued by the End User.

Awards: (3 total): IBM will award three (3) grand prize trips, one for each category (Small, Medium and Large): The Business Partner company may select two persons plus two guests for their choice of a trip to San Francisco, New York City, Toronto or Montreal. The trip includes round trip coach airfare for four from the commercial airport nearest the Business Partner's location, 2 hotel accommodations for 4 days/3 nights (2 rooms double occupancy), ground transportation, and a one thousand two hundred fifty dollar cash allowance per person. The San Francisco trip includes a Napa Valley Wine Train Lunch or Dinner with round trip limousine transfers for four. The New York trip includes orchestra seats to one Broadway show, VIP tickets to a New York City sports team regular season game and 8 hours of limousine transportation within NYC (pre-arranged reservations required). The Toronto and Montreal trips include a \$500 per person additional allowance for spa, tours, golf or a sports game. The approximate retail value ("ARV"): fifteen thousand USD. All gratuities and other expenses not expressly specified above are the sole responsibility of the award recipient. All aspects of the trip are at the sponsor's sole discretion. Winners must be able to complete their travel by December, 2005 or the prize will be forfeited in its entirety.

All sales noted in U.S. Dollars

The total ARV is \$ 45,000.00 USD plus \$170.00 (approximate value) for each jacket.

4. **AWARD ACCEPTANCE:** In the event of any dispute, the decision of IBM is final. Awards will be made to the winning companies who will be responsible for all applicable sales, income and other taxes. No substitution or cash redemption allowed except by IBM, who may substitute an Award of equal or greater value if for any reason an advertised Award becomes unavailable. Any personal expenses incurred by an individual that are not specifically covered by the prize package are solely the responsibility of the individual.

Winning Business Partners and their designees for the trip will be required to complete, sign and return an Affidavit of Eligibility/Release of Liability and Publicity within seven (7) days of notification. Awards are not transferable. Travel guests of winners will be required to complete and sign a Liability and Publicity Release within seven (7) days of notification. Minor guests must be accompanied by parent or legal guardian who must sign the appropriate releases. By accepting an Award, winners consent to the use of their names and likenesses, and are responsible for obtaining their organization's approval, for IBM's use of the organization's name for advertising purposes, worldwide, without limitation, and without additional compensation either to the individual or to the IBM Business Partner, except where prohibited by law. By accepting an Award, the Award winner and their organizations further agree to release IBM and its subsidiaries, affiliates and related companies and each of their respective officers, directors, employees and agents, including but not limited to Einson Freeman, Inc. (the "Challenge Parties"), from any and all liability, loss or damage of any kind arising out of or in connection with winners participation in this Challenge, or with respect to awarding, receipt, possession, use and/or misuse of any Award, or Award related activities. By accepting Awards, winners further acknowledge that the Challenge Parties have neither made, nor are in any manner responsible or liable for, any warranty, representation or guarantee, express or implied in fact or in law, relative to Award or to any portion thereof, including but not limited to its quality, merchantability, mechanical condition, or fitness for a particular purpose.

5. **TERMINATION:** IBM may at its absolute discretion terminate eligibility of any Eligible Participant and cancel all or part of any accrued revenue without notice due to a failure to comply with these Terms and Conditions. A Business Partner may withdraw their organization and/or their Sales Professionals participation at any time by writing to Nora Sweet, IBM c/o IBM Software for SMB, 124 Bowe Lane, LaGrangeville, NY 12540. IBM reserves the right to modify or withdraw this Challenge at any time.
6. IBM uses the services of a promotion agency, Einson Freeman, to manage this Challenge, holding and processing information on behalf of IBM. If you wish to be advised what information Einson Freeman holds about your company, write to: Einson Freeman, c/o IBM Software for SMB, 10 Mountainview Road, Upper Saddle River, NJ 07458, USA. By accepting the rules and participating in this Challenge, you are authorizing the release of this information.

Sponsor: IBM Westchester Avenue, White Plains NY
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