

vmware® PARTNER NETWORK

VMware Cloud Provider Aggregator Program Guide

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THIS VMWARE CLOUD PROVIDER AGGREGATOR PROGRAM GUIDE SETS FORTH PROGRAM RULES AND POLICIES THAT GOVERN YOUR PARTICIPATION IN THE VMWARE CLOUD PROVIDER AGGREGATOR PROGRAM. THE VMWARE CLOUD PROVIDER AGGREGATOR PROGRAM WAS PREVIOUSLY CALLED THE VCLLOUD AIR NETWORK FOR AGGREGATORS. ANY REFERENCES TO VCLLOUD AIR NETWORK FOR AGGREGATORS OR THE VCLLOUD AIR NETWORK AGGREGATOR PROGRAM GUIDE IN YOUR SERVICE AGGREGATOR PROGRAM AGREEMENT NOW REFER TO THE VMWARE CLOUD PROVIDER AGGREGATOR PROGRAM AND THIS GUIDE RESPECTIVELY.

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Welcome to the VMware Partner Network

Our Partners — The Cornerstone to Our Success

The VMware Partner Network (VPN) is for our entire partner ecosystem that sells, builds, develops, or trains on VMware products and solutions. The VMware Partner Network is designed to recognize your expertise, reward you for the total impact you have in the marketplace, and deliver value to help your business thrive.

1. VMware Cloud Provider Aggregator Program Overview

The VMware Cloud Provider Aggregator Program (the “Program”) is a critical component of VMware’s total routes-to-market strategy. VMware teams with industry-leading technology companies to deliver VMware products and solutions to service providers offering hosted software solutions. Being a member of VMware’s Cloud Provider Aggregator Program will give you and your sales organizations access to important sales, marketing and support resources.

The VMware Cloud Provider Aggregator Program was designed for partners to facilitate a successful partnership with VMware by offering benefits such as the opportunity to procure and distribute VMware Cloud Provider Program Product License points to Service Providers to enable those Service Providers to provide Hosted IT Services under the VMware Cloud Provider Program. In addition, there is an option for partners to receive orders and payments for Cloud Services from Service Providers who are Managed Services Providers. The rules and policies for members (“Aggregators”) of the Program are set forth in this VMware Cloud Provider Aggregator Program Guide (the “Guide”).

The primary roles in the VMware Cloud Provider Program are: VMware, Aggregators, and Service Providers.

The Aggregator is responsible for:

- receiving orders from Service Providers for VMware Cloud Provider Program point plans and/or Cloud Services;
- ordering VMware Cloud Provider Program point plans and/or Cloud Services from VMware;
- collecting monthly usage reports from Service Providers, as measured by the VMware Usage Meter Tool;
- delivering those usage reports to VMware;
- purchasing product-usage points or Cloud Services from VMware based on such usage; and,
- reselling the product-usage points to the Service Provider based on usage at prices determined by the Aggregator.

2. VMware Program Policies

2.1 Program Enrollment and Compliance

To become an Aggregator, you must have a current and valid Program Agreement executed with VMware.

Your Program membership will renew automatically for successive one-year terms provided that you remain in compliance with all Program requirements. VMware reviews Program compliance at least once a year and reserves the right to change the status of partners that do not meet the Program requirements.

You must identify a person (the “Champion”) to be the primary point of contact with VMware. The Champion the contact person responsible for assisting in the execution of your responsibilities under the Program, understanding Program business operations, resolving discrepancies and non-performance issues, and communicating Program information within your organization to relevant personnel. You will provide the Champion’s name and contact information to VMware when you sign the Program Agreement with VMware. The Champion is responsible for maintaining accurate records within the Aggregator’s Account in Partner Central. The Champion will be the contact that VMware uses for Program and Aggregator-specific notifications, including those identified in the Guide.

2.2 Territorial Restrictions, Legal Entity and VMware Program Membership

Except as otherwise authorized by VMware:

- Partner may act through Affiliates as provided in the Program Agreement.
- Each authorized entity is permitted to deliver VMware-based offerings only from its appointed Territory. “Territory” means the country in which Partner’s principal place of business is located. VMware will publish, from time to time, the exceptions to this policy.
- Each authorized entity may enter into supply relationships with the VMware Cloud Provider Program Service Providers directly.
- The foregoing provisions are without prejudice to the freedom of partners located in the European Economic Area (EEA) or Switzerland to distribute to other partners authorized by VMware to deal in the EEA or Switzerland.

In the case of acquisitions, mergers, and/or other business combinations, the existing membership level of the surviving entity and the operating status of the acquired or merged entity, as applicable, will dictate the membership criteria applicable to the newly formed entity.

The territory restrictions are subject to change. Please check the [territory restrictions policy](#) on Partner Central.

2.3 Partner and Customer Information

By joining the VMware Partner Network, you consent to receiving Program-related information from VMware for the following purposes:

- Administering the Program;
- Providing information to you about the Program, including events and training opportunities;
- Inviting you to participate in surveys and research; and
- Providing you with information and materials to support your efforts to deliver VMware solutions, including security information, technical information, and sales and marketing materials and resources.

You agree that VMware may publish Aggregator’s name and address in a listing of Program members, may reference Aggregator as a member of the Program and may publish your VMware qualifications,

in each case using Aggregator’s logo, subject to reasonable trademark and logo usage guidelines provided by you and to the VMware Privacy Policy posted at www.vmware.com/help/privacy.html.

Information provided to VMware in connection with Service Provider orders or engagements is subject to the VMware privacy policy located at <http://www.vmware.com/help/privacy.html>, and may be used for the following purposes: (i) identification of the appropriate sales/market segment and sales representative, (ii) internal revenue recognition, and (iii) determination and communication of associated VMware sales compensation.

2.4 Partner Integrity

At VMware, we are committed to helping our partners reduce business risks that result from noncompliant behavior and avoid unnecessary costs, reputational damage, and penalties, including government sanctions and legal action for violations.

Many local anti-corruption laws, and VMware internal policy, strictly prohibit bribery in any form and towards any recipient – either a government or commercial party. To increase compliance with anti-corruption laws, VMware has developed and administers comprehensive compliance programs that broadly address and minimize compliance risks and extend compliance responsibility to all individuals or entities involved in the downstream distribution, promotion or sale of products and services.

VMware has instituted a comprehensive Partner Integrity initiative which includes the following elements that direct and indirect partners must successfully complete as a prerequisite to being eligible to participate in the VMware Partner Network Partner Programs: pre-screening, ongoing qualification, partner vetting, self-certification and training requirements. Except as otherwise authorized by VMware:

- You must adhere to all terms contained in the [VMware Partner Code of Conduct](#).
- As part of the VPN application process, you will be required to acknowledge that you will remain in compliance with the terms of this Guide, the VMware Partner Code of Conduct, and all applicable laws pertaining to its procurement and distribution of VMware products/services.
- The prescreening process includes an internal business qualification process which will be conducted by VMware sales and finance teams.

Formal acceptance in the VPN Program is contingent upon your successful completion of a detailed due diligence questionnaire where, among other items, you must self-disclose any current or pending compliance violations.

- You must self-certify at least every three years that you are in compliance with all applicable laws pertaining to your procurement and distribution of VMware products and services.
- You must take mandatory ongoing training relating to anti-corruption regulations and your obligations with regard to US Export Control Laws that will be delivered via the VMware online “MyLearn” portal. You will be required to complete the first installment of training within 30 days after being on-boarded. Additional mandatory training modules may be identified from time to time. Parties whom have not completed the mandatory training may be downgraded or removed from the Program.

For any questions about the VMware Partner Integrity Initiative, contact partnernetwork@VMware.com.

2.5 Program Compliance

The VMware Cloud Provider Partner Program initiates quarterly compliance reviews for Service Providers. Aggregators are required to assist VMware with these compliance reviews. These reviews are not a formal audit under the VMware Cloud Provider Program enrollment agreement. However, failure to participate may result in VMware exercising its right to conduct a formal audit of the Service Provider’s records. Based on the results of the initial review, VMware may ask you to gather additional information regarding Usage Meter installation and configuration, as well as information used for monthly usage reporting related to the use of VMware’s software.

You are responsible for conducting the compliance review and collecting information from Service Providers in a timely manner. Notification of a compliance review will come from VMware, and you are expected to contact the Service Provider after receiving VMware’s request.

During these compliance review activities, you may be asked to perform various steps, including, but not limited to:

- Validation of Usage Meter installation and version;
- Obtain monthly usage report output files from the Usage Meter;

- Recalculate amounts previously reported in business portal based on monthly usage report output reports obtained and follow up on differences identified;
- Ensure Usage Meter is installed into all Service Provider accounts;
- Where Usage Meter is not installed, obtain explanation for and methodology used to meet program reporting and metering requirements;
- Identify non-metered products utilized by the Service Provider; and,
- Collect usage for overdue monthly usage period(s).
- Refer to the VMware Cloud Provider Program [Compliance Guide for Aggregators](#) to ensure you are familiar with the Compliance Program and Policies.

3. Program Requirements

The following outlines the specific Program requirements for Aggregator partners.

All Program requirements must be met in order to continue to receive Program benefits as called out in the Benefits section of this Guide and on VMware partner portal, [Partner Central](#).

3.1 Contracts Process

You must establish and maintain an agreement (“Service Provider Agreement”) with each of your Service Providers. The Service Provider Agreement must have a minimum initial term of one year and a provision for automatic renewal for successive one-year terms. Service Provider Agreement must be in effect prior to ordering point plans or reselling product-usage points to a Service Provider. The Service Provider Agreements are between you and Service Provider, but will contain provisions to meet the Program requirements set forth in your Aggregator Program Agreement and this Guide. Service Providers receive the right to use VMware products to provide hosted IT services directly from VMware, and consequently, notwithstanding anything to the contrary in your Program Agreement, you do not have to pass through a EULA amendment in the Service Provider Agreements for any Service Providers.

Prior to accepting a contract for a pricing plan, you must validate in Partner Central that the applicable

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Service Provider is a current Service Provider and verify that the Service Provider is eligible for the applicable pricing plan. These eligibility requirements are identified in the VMware Cloud Provider Program Guide available on Partner Central.

From time to time a Service Provider may wish to increase the contract level before reaching the current contract anniversary date. Contract upgrades are available to process via the Business Portal Contract Wizard at any time during the current term. Upgrades require that all prior month usage periods are in a closed status for the Upgrade order to progress.

Retroactive set ups are not allowed for upgrades. An upgrade must be processed before the end of the calendar month in order for the new upgraded plan and discount to apply to the current month's usage. For example, in order for an upgrade to apply to the December monthly usage period, the Service Provider contract must be upgraded and the new contract plan active before December month end. We will not honor late upgrades because that will require retroactive set ups which are not allowed.

A Service Provider may wish to prepay for VMware Cloud Provider Program services. These contracts must meet prepaid program requirements. Prior to placing a prepaid order in the Business Portal, prepaid contracts must be documented in a legal amendment to the Service Provider Agreement which outlines the specific terms of the prepaid contract including but not limited to: contract term, price per point, total prepaid points, monthly burndown rate(s).

Custom contracts are utilized on occasion when one of our standard contracts is not able to support the needs of the Service Provider Agreement. Custom contracts must meet special program requirements and obtain a specific set of approvals in advance of placing an order in the Business Portal.

All prepaid and custom arrangements require a Special Pricing Form ("SPF") number to commit the order in the Business Portal Contract Wizard which will route the SPF through the VMware Cloud Provider Program Operations Team for approval before the order is processed by VMware Order Management teams. VMware Cloud Provider Program Operations Team will review the underlying agreement(s), special pricing form and approvals prior to processing the order.

VMware may agree to provide you with non-standard pricing, discounts, term lengths and/or varying minimum point commitment levels for a specified time, to accommodate a specific opportunity for a designated Service Provider. In such event, VMware will complete an SPF which will list non-standard terms offered to you that will apply to the transactions including VMware Products purchased for resale to the designated Service Provider. VMware agrees that you may resell the VMware Cloud Provider Program Products to designated Service Provider solely in accordance with the terms of any SPF provided by VMware from the date of VMware's receipt of your Order for a Purchasing SKU for the designated Service Provider until the expiration date provided in such SPF.

3.2 Original License/Stocking Order

- The Service Provider Agreement between Service Provider and Aggregator will provide for a specific point level for a twelve (12) month commitment.
- You will create a draft contract record in the Business Portal consistent with the point level in the Service Provider Agreement. You must first initiate orders in the Business Portal Contract Wizard for new contracts, upgrades, and downgrades. If the order is not initiated in the Business Portal then the order will not be processed.
- The Aggregator orders a Zero-Cost VMware Cloud Provider Program Stocking SKU from VMware and the related Zero-Cost VMware Cloud Provider Program SnS SKU (collectively, the "License Ordering SKUs"). The order must be submitted using the Business Portal Online Ordering Process or EDI connection.
- Your placement of License Ordering SKUs is a one (1) year commitment that is based on the minimum number of points set forth in the applicable point plan.
- These License Ordering SKUs are available in the price list as further detailed below. The License Ordering SKUs apply to a bundled of VMware products.
- When you submit orders using EDI, the order details will contain the following fields:
 - a. Service Provider name, PRM ID, Address and Contact information;

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- b. Aggregator Name, Aggregator PRM ID, Address, Contact information and VAT reference;
 - c. License Ordering SKUs and quantity (which should be 1 of each); and,
 - d. Business Portal token number (Token numbers are available via the Business Portal Contract Wizard, Ordering Output Report, or an API).
- Upon VMware's acceptance of the order, VMware will send an email with the license key process to the Service Provider. This includes the license keys for the corresponding VMware product bundle.
 - When the order is processed, the applicable contract record will be updated in the Business Portal with the sales order number, contract dates, and set to active.
 - You will then receive a sales order confirmation from VMware.
 - The applicable Service Provider will then electronically activate and register the VMware Cloud Provider Program products. VMware will also initiate SnS for the Service Provider for each VMware Cloud Provider Program product that is ordered.
 - Once the Ordering SKUs are activated, you will collect monthly usage information from the Service Provider, via the Business Portal, and submit monthly billing orders to VMware.

3.3 Monthly Billing Order

Service Providers will report their usage of VMware products to you, via the Business Portal, by the 5th of each month, unless the Service Provider Agreement provides for a different date.

By the 15th of each calendar month, you will use the Business Portal Online Ordering Process or EDI to place monthly billing orders for product-usage points based on each Service Provider's reported usage. If the orders are not initiated in the Business Portal the orders will not be processed.

If you are using the Business Portal Online Ordering Process, you will need to complete the usage report, provide a PO number, select Online as the order preference, and accept the terms and conditions. The PO number must be a valid number that VMware can use for invoicing and is recognized by your accounts payable team for VMware payment.

If you are using EDI, you will complete the usage report in the Business Portal, select EDI as the order preference, and accept the terms and conditions.

Usage reporting includes usage for each Service Provider for the prior calendar month, or months reported in arrears. For example, March usage is reported no later than April 15th.

The EDI order will include:

- Service Provider Name, PRM ID, Address and Contact information;
- Aggregator Name, PRM ID, Address, Contact information and VAT reference;
- VMware Sales Order Number for License Ordering SKUs;
- Reporting Timeframe(Month and Year, EDI format MM-YYYY);
- VMware Cloud Provider Program Reporting SKUs equivalent to the actual usage up to the ordered points plan (Quantity, Unit Cost, Extended Cost); provided, however, if a grace period applies for a new Service Provider, use the VMware Cloud Provider Program Reporting Grace SKUs;
- VMware Cloud Provider Program One Point SKUs for overages above the base point level (Quantity, Unit Cost, Extended Cost);
- Business Portal token number;
- SKUs, quantities, token numbers are available via the Business Portal Monthly Report, Ordering Output Report, or an API; and,
- SPF# for Custom and PrePay contracts.

VMware Order Management will enter the information as reported by you into the appropriate VMware systems, and then send you an invoice.

You will pay all invoices within 30 days of the date of the invoice.

3.4 Monthly Billing Order Adjustments

In the event of a monthly billing error exceeding \$500, you may submit a monthly billing order adjustment via the Business Portal adjustment feature within 90 days from the date a monthly usage report is closed. The original monthly billing order may have been placed in the Business Portal as either an Online or EDI transaction, but the replacement monthly billing order may only be submitted as an Online

transaction. Monthly usage reports that have been closed for greater than 90 days or that amount to less than \$500 are not available for adjustment.

3.5 Payments

For each of your Service Providers, you will order from VMware each month the greater of: (1) the total number of points used by the Service Provider, or (2) the minimum point commitment by the Service Provider. The point values will be calculated based upon the Service Provider's reported product usage and the corresponding product point value set forth in the VMware Cloud Provider Program Product Usage Guide.

During the first billing period of a new Service Provider contract, you will defer the minimum point commitment, providing a grace period for the Service Provider, and enforce the minimum point commitment in the next billing period. The first billing period is defined as the first month the contract becomes active regardless which day of the month. The grace period allows you to bill the Service Provider for actual usage, even if the minimum point commitment is not met. When placing EDI orders, specific Grace SKUs must be used when placing the Monthly Billing Order.

Please Note: the grace period does not apply when a VMware Cloud Provider Program Service Provider finishes their contract with one Aggregator and then switches to a new Aggregator or when transitioning to a new contract type or level. In addition, the grace period does not apply to Custom or Prepaid contracts, as the monthly commitment schedule is defined in the SPF.

During the first billing period, the Service Provider will still be liable for any actual usage of VMware products during this partial month. If the Service Provider uses more than the minimum number of points, you must order the entire amount consumed.

You will submit orders to VMware in accordance with the Monthly Billing Order guidelines above. After acceptance of such submission, VMware will invoice you for the applicable amount. In the event that you do not receive reports or payment from any Service Provider, you must still order points from VMware for the greater of actual usage or the minimum contract amount with respect to that Service Provider. You will notify VMware of any non-reporting Service Providers within 30 days of the reporting due-date and will diligently follow up with the Service Provider to obtain reporting. If after 60 days the Service Provider has still

not reported, you will notify VMware in writing of the non-compliance of Service Provider and VMware will work with you to determine resolution options, which may include temporary pause in support or eventual cancellation of the Service Provider from the VMware Cloud Provider Program.

3.6 Pricing

Pricing is set forth in the Program price list, which may be updated by VMware by posting the price list Partner Central. Updates to the Program price list may also be provided to you via a secure website. Updates to the Program price list are effective thirty (30) days after posting. Pricing should be consistent with the VMware Country Currency Mapping list available on Partner Central at the time of placing the License Ordering SKUs and must be updated to reflect any pricing changes as needed upon the anniversary/renewal date of each points plan. You are independently responsible for determining the per-point price offered to each of your Service Provider. Although VMware may publish suggested "list prices" for the VMware Cloud Provider Program product-usage points, these are suggestions only and you are entirely free to determine the actual prices of the points sold to Service Providers. From time to time, VMware may provide specified non-standard pricing to you for specific, non-standard Service Provider opportunities that are requested by you. VMware will provide this pricing in writing in the form of an approved Special Pricing Form ("SPF"). You must include the SPF number provided by VMware on all Original Contract/Stocking orders and Monthly Billing orders. The SPF number will also be included when on the contract record when set-up in the Business Portal. In such an event, the prices provided by VMware will be for you, and you will be responsible for setting prices for the Service Provider, as with any standard priced opportunity. Any pricing change will not affect any existing Service Provider contracts until such time that those contracts are renewed or upgraded.

3.7 Non-Renewal

You will notify VMware in writing, by emailing VMware Cloud Provider Program Operations (vCAN-operations@vmware.com) immediately after receiving a notice of non-renewal for any Service Provider Agreement. In addition, you will provide VMware thirty (30) days' notice prior to non-renewal of any Service Provider Agreement.

Standard non-renewal for Service Provider Agreements are available during the 60 days leading up to the anniversary date of the Service Provider Agreement.

3.8 Downgrades

Downgrades to lower a Service Provider's monthly commitment level ("Downgrade(s)") are available during the 60 days leading up to the Service Provider Agreement anniversary date and will take effect on the last day of the annual term of the Service Provider Agreement.

Downgrades must be requested by emailing the VMware Cloud Provider -Operations team (vCAN-Operations@vmware.com) and providing the following: Service Provider Name, Business Portal Contract Number, business justification for a Downgrade request, and any other support documentation requested by VMware to validate the Downgrade request. The requested information will allow the VMware Cloud Provider Program team to evaluate and consider the approval for a Downgrade. Each Downgrade request case will be considered individually and evaluated for approval or denial. Downgrades are not available for pre-pay contracts.

All Downgrades will take effect prospectively commencing from the month the Downgrade is processed. All prior period usage reports must be closed for downgrades to process. There are no retroactive Downgrades.

3.9 Cancellation Policy

The VMware Cloud Provider Program Cancellation Policy allows Service Providers to cancel VMware Cloud Provider Program Product license point orders for both monthly rental licenses and prepaid points under the Program. To cancel an order(s), Service Providers can provide you written notice at any time during any month of the term of Service Provider's rental agreement. More information about the Cancellation Policy requirements can be found in the below link:

[VMware Cloud Provider Program Cancellation Policy](#)

4. Aggregator Roles and Responsibilities for Cloud Services

4.1 Aggregator Eligibility Criteria

"Cloud Services" are those services identified as "Cloud Services" in the VMware Cloud Provider Program Product Usage Guide. For more information regarding Cloud Services, please see the applicable sections of the VMware Cloud Provider Program Guide.

To be authorized to serve as an Aggregator for Cloud Services, you must (1) execute a Program Agreement (or addendum thereto) authorizing you to process orders and payments for Cloud Services, and (2) meet the following criteria:

- At least 50% of your Service Providers must have reported their monthly usage of VMware products through the Business Portal during the preceding quarter.
- At least 80% of your Service Providers must have reported their monthly usage of VMware products within the time period required by VMware during the preceding quarter.
- You must have completed the Cloud Services training identified by VMware on Partner Central and the Business Portal Learning Management System.

4.2 VMware Cloud on AWS

In the event a Service Provider purchases VMware Cloud on AWS the Service Provider is required to do the following:

- Provide to its Managed Service Customer all the applicable disclosures and notices, and require from the Managed Service Customer all the applicable acknowledgments and consents that are necessary for VMware to provide the Managed Service Customer Data to Amazon Web Services. The Managed Service Customer Data will be used for provisioning the VMware Cloud on AWS product offering and identifying the appropriate sales/market segment and sales representative at Amazon Web Services.
- Pass through to its Managed Service Customers all of the applicable discounts related to VMware's Hybrid Loyalty Program, details of which can be found at <https://cloud.vmware.com/vmc-aws/pricing>.

- Submit an annual commit order to VMware, via the Business Portal, representing the aggregate annual minimum commitment for VMware Cloud on AWS. Ordering will occur at the end of each Annual Commit Term (12-month period). The Service Provider must pay (i) the Annual Minimum Commitment; or (ii) the Annual Minimum Commitment plus any additional points consumed of VMware Cloud on AWS throughout the Annual Commitment Term.
- At the end of each Annual Commitment Term, if the Service Provider has not met the Annual Minimum Commitment, the Service Provider must pay the Annual Minimum Commitment.
- If the Service Provider has met the Annual Minimum Commitment at the end of the Annual Commitment Term, then the Service Provider must pay for the Annual Minimum Commitment amount plus the additional points actually consumed and ordered above the Annual Minimum Commitment.

4.3 Ordering Process

Once you have a Service Provider Agreement in place with a Service Provider, you may accept an order from the Service Provider for a specific monthly minimum purchase commitment. You will pass such order to VMware by initiating an order for that Service Provider with a “Services Ordering SKU” for a specific Cloud Service monthly minimum commitment. The Services Ordering SKU represents Service Provider’s one (1) year monthly-purchase commitment. Prior to ordering a Services Ordering SKU, you must ensure the Service Provider understands and agrees to this one (1) year commitment for minimum monthly purchases of Cloud Services. These Services Ordering SKUs are available in the price list as further described below. The Services Ordering SKUs are for a specific set of Cloud Services provisions and configurations. Additionally, you will initiate a draft contract order in the Business Portal based on the applicable Service Provider Agreement. You must first initiate contracts in the Business Portal Contract Wizard for new contracts, upgrades, and downgrades. You can use Online Ordering through the Business Portal or EDI. If the order is not initiated in the Business Portal then the order will not be processed. After VMware accepts the order of the applicable Services Ordering SKU, VMware will deliver the Cloud Services provision notification for the applicable SKU to the Service Provider as set forth on the order submitted to VMware. The Service Provider will then electronically configure

the Cloud Service environment. When the order is processed, the contract record will be updated in the Business Portal with the sales order number, contract dates, and set to active.

Once the Service Ordering SKU is activated, you will invoice the Service Provider based on the monthly usage information that is delivered to the Service Provider from VMware, and submit monthly billing orders to VMware.

There is a grace period of (3) billing cycles that will be in effect at the start of the Cloud Service contract whereby the minimum monthly commit will be waived if the actual usage is lower. When placing EDI orders, specific Grace SKUs must be used when placing the Monthly Billing Order. The grace period does not apply when a Service Provider finishes their contract with one Aggregator and then switches to a new Aggregator.

Service Providers can change their Aggregator for Cloud Services upon expiration of each 12-month commitment. Upon any such change, the current Aggregator will continue to process invoices and payments for the full term of any subscription level SKUs being processed on the date of such change. The new Aggregator will place a new 12-month commit Service Ordering SKU and will process Cloud Services ordered by the Service Provider following VMware’s acceptance of such Service Ordering SKU.

The specific steps of the ordering process are detailed below.

4.4 Original Cloud Services/Stocking Order

- The Service Provider Agreement between Service Provider and VMware will provide for a specific configuration for a 12- month minimum purchase commitment.
- You initiate a draft order in the Business Portal in response to a Service Provider requesting an order consistent with the desired monthly commitment in the Service Provider Agreement.
- You will set and manage the credit threshold for the Service Provider based on reasonable credit limits to allow the Service Provider to naturally grow with limited engagement and support. The minimum commitment amount will be defaulted in the threshold field. The threshold will manage the maximum amount

of services the Service Provider can add to their Cloud Services environment. The Service Provider will need to contact you if they reach their maximum threshold to increase their credit threshold to add more services.

- You will ensure the on demand feature is enabled in the Business Portal for the Service Provider so they will have the ability to add more Cloud Services to their subscription with VMware.
- You will then order a Services Ordering SKU from VMware on behalf of the Service Provider. The order must be submitted using the Business Portal Online Ordering Process or EDI order preference. For EDI partners, the EDI order details will contain the following fields:
 - a. Service Provider Partner name, PRM ID, Address and Contact information;
 - b. Aggregator Name, PRM ID, Address, Contact information and VAT reference;
 - c. Service Ordering Zero-Cost SKUs(Stocking) and quantity (which should be 1);
 - d. Business Portal token number; and,
 - e. SKUs, quantities, token numbers are available via the Business Portal Contract Wizard, Ordering Output Report, or an API.
- Upon acceptance of the Service Provider's order, VMware will send an email with the Cloud Services configuration process to the Service Provider. This includes access to the applicable environment.
- You will then receive a sales order confirmation from VMware.
- Service Provider then configures applicable environment.

4.5 Monthly Billing Order

- Service Provider usage of Cloud Services will be pushed to the Business Portal for the prior calendar month usage.
- Service Provider will accept the Cloud Services usage by the 5th day of the month per the base contract. By the 15th of each calendar month, you will use the Business Portal Online Ordering Process or EDI to place the order with VMware. If the orders are

not initiated in the Business Portal the orders will not be processed.

- If you are using the Business Portal Online Ordering Process, you will need to process the usage report, provide a PO number, select Online as the order preference, and accept the terms and conditions.
- If you are using EDI, you will process the usage report in the Business Portal, select EDI as the order preference, and accept the terms and conditions.
- Service Provider Cloud Services usage will be pushed to the Business Portal for the prior calendar month, or months reported in arrears.
- The EDI order will include:
 - a. Service Provider Partner Name, PRM ID, Address and Contact information;
 - b. Aggregator Name, PRM ID, Address, Contact information and VAT reference;
 - c. VMware Sales Order Number for Original License/Stocking Order;
 - d. Reporting Timeframe(Month and Year, EDI format MM-YYYY);
 - e. Service Ordering SKUs equivalent to the actual usage up to the ordered points plan (Quantity, Unit Cost, Extended Cost); provided, however, if the grace period applies for a new Service Provider, use the Service Ordering Grace SKUs;
 - f. Service Ordering for overages above the base point level (Quantity, Unit Cost, Extended Cost);
 - g. Business Portal token number; and,
 - h. SKUs, quantities, token numbers are available via the Business Portal Contract Wizard, Ordering Output Report, or an API.
- VMware Order Management will enter the information as reported by you into the appropriate VMware systems, and then send you an invoice.
- You will then invoice the Service Provider on behalf of VMware based on usage by 15th day of the month.
- You will receive payment from Service Provider on behalf of VMware and send all such payments to VMware within 30 days of the date of the invoice provided to you.

4.6 Payments

For Cloud Services, you are acting as an order, invoice and payment processor for VMware. You will process orders and invoices and payments as described above. In the event that you do not receive payment from any Service Provider, you are not liable for payment to VMware. You will notify VMware of any non-paying Service Providers within 30 days of the payment due-date and will diligently follow up with the Service Provider to obtain payment. If after 60 days the Service Provider has still not paid, you will notify VMware in writing of the non-compliance of Service Provider and VMware will work with you to determine resolution options, which may include termination of the Service

Provider from the Cloud Services portion of the Program.

4.7 Pricing and Processing Fees

Pricing for Cloud Services is provided to the Service Provider directly by VMware. VMware will pay you a service fee for processing orders, invoices and payments (the "Processing Fee"). The Processing Fee is calculated quarterly as percentage of the eligible net bookings for Cloud Services processed by you during the quarter. Net bookings are calculated as the MSRP for the Cloud Services purchased less discounts, returns and credits. The applicable percentage for each MSP payment amount is set forth below in the pricing and discount table.

5. Processing Fee Payment

- You are responsible for identifying your preferred payment method and for providing accurate payment routing information based on the payment method selected. Failure to do so could result in delay or forfeited payments. Available payment methods may vary depending on your country of location.
- VMware offers several payment options: bank draft, check, credit memo or wire transfer paid directly to your bank account. For a complete list of payment methods available in your country, please review the “Payment Types by Country” list published on the [Partner Rewards Management](#) portal under the “Reports” tab.
- Processing Fee payments will be issued quarterly within 60 days from the end of the applicable quarter.
- VMware’s Corporate Exchange rate will be used for any required currency conversions.
- You have 45 days after the Processing Fee has been issued by VMware to dispute its attainment or final benefit amount. In no event may you initiate a dispute regarding its Processing Fee more than 105 days following the end of the applicable quarter. Disputes should be sent to PartnerNetwork@vmware.com to officially log a case for tracking purpose.
- You will lose eligibility to receive your Processing Fee if you are no longer an Aggregator in good standing at the time payments are issued.
- You will lose eligibility to receive your Processing Fee 45 days after the end of the applicable quarter if there is any pending, missing or inaccurate payment routing information.
- VMware requires a minimum Processing Fee payment of \$100 USD or equivalent. Processing Fee payments will be combined with other rebate payments across all applicable rebate programs, pilot, or promotions listed in the Partner Rewards Management section of Partner Central each quarter when possible. Processing Fee payments below this threshold for a given quarter will not be paid and will be voided immediately.
- VMware Reserves the right to audit all program records. In the event overpayments are discovered by an audit, VMware will notify you, setting forth in a reasonable amount of detail the amount of overpayment and the action to be taken by VMware to recover the overpayment. VMware may apply any overpayment against future

Processing Fees until the overpayment is offset in full.

- VMware’s decisions with respect to eligibility for, and the amount of, the Processing Fee are at VMware’s reasonable discretion. All such decisions are final.
- The Processing Fee requirements and amounts are fixed for a calendar quarter. There is no guarantee that the calculation or requirements will be the same for future calendar quarters.
- There may be tax consequences that result from participation of the Program and receipt of the Processing Fee. You are solely responsible for ensuring that any taxes arising from participation in the Program and receipt of the Processing Fee are reported and paid to the appropriate tax authority.

6. Professional Services are available through VMware Cloud Provider Program – more information can be found in Partner Central

7. Reporting

7.1 Reporting and Forecasting Requirements

Effective April 1, 2015, VMware has completed the migration of VMware Cloud Provider Program Aggregator and Service Provider partners to a new reporting tool, the VMware Cloud Provider Program Business Portal.

You will be responsible for various reporting activities to VMware and will put in place adequate processes with their Service Providers to be able to comply with all of the VMware reporting requirements set forth herein.

The responsibility to submit monthly reports will commence as of the date a Service Provider has received a license activation key for that product from VMware (as ordered by you). For the avoidance of doubt, Service Provider will issue the first monthly report to you at the end of the calendar month during which the Service Provider received the license activation key from VMware (you will be copied on the

email to the Service Provider when VMware provides the activation key to the Service Provider.)

7.2 Monthly Usage Reporting

All Monthly Usage Reporting will be completed in the VMware Cloud Provider Program Business Portal. Each month, every active agreement with a Service Provider will have a reporting record created automatically by the Business Portal. You are responsible for ensuring that Service Providers report all monthly VMware Cloud Provider Program product usage to the Business Portal. You will validate the report is correct and commit the report to VMware by advancing the report to Pending Vendor status. After the usage report has been committed, You will submit a Monthly Billing Order as described above. Specific instructions on how to measure each VMware Cloud Provider Program Product are available in the VMware Cloud Provider Program Product Usage Guide available on Partner Central.

You will remind Service Providers to report usage information for any End User in accordance with the VMware Cloud Provider Program Guide into the Business Portal.

For each Metered Product, the use of the VMware vCloud Usage Meter is required for the Service Provider. The Service Provider must have the latest version of the VMware vCloud Usage Meter installed and configured as per the terms of the VMware Cloud Provider Program Guide. You are not required to obtain Usage Meter Monthly Usage Reports from the Service Provider on a monthly basis; however it is expected that you will conduct a reasonable level of monthly audits by comparing the Service Provider's Usage Meter Monthly Usage Report to the actual

usage reporting by the Service Provider. Periodically, VMware Cloud Provider Program Compliance Office will request Monthly Usage Reports as part of ongoing reviews of Service Provider records in the Business Portal. You will obtain such reports when requested and submit to VMware timely, within 14 days or by date requested.

7.3 Contract Management

You will maintain an accurate list of Service Provider contracts within the VMware Cloud Provider Program Business Portal. New contracts and contract upgrades and contract downgrades will be managed in the Business Portal. Any orders that are not first initiated in the Business Portal will not be processed. Contract Downgrades and non-renewals will be in accordance with VMware Cloud Provider Program Guide and must be processed within the Business Portal during the calendar month they are effective. Contract non-renewals are not effective until they are completed in the Business Portal.

7.4 Quarterly Performance Reporting and Business Review

You will make the appropriate business personnel including the Champion available for a live quarterly business review meeting upon the request of VMware. This meeting may be via conference call, online or in person at a mutually agreed to time. You will be prepared to discuss the following items: KPIs (e.g. bookings, usage reporting, business growth, Service Provider product adoption, and Service Provider performance), delinquencies, compliance checks, soft audits, sales/operations and business readiness activities.

8. Processing Fees, Pricing and Discounts for Cloud Services

Below are the applicable Aggregator processing fees based on Pre-Pay or MSP Monthly Payment Amount.

MSP Payment Amount	Processing Fee Percentage
\$1 to \$5,000	11%
\$5,001 to \$50,000	8%
\$50,001 to \$100,000	6%
\$100,001 to \$250,000	4%
\$250,001 to \$500,000	2%
> \$500,001	0.50%

Below are the applicable direct Service Provider Horizon Air discounts for each contract level:

Services Ordering SKU Level	Monthly Minimum Commit	Discount %
1	\$5,000	15%
2	\$50,000	18%
3	\$100,000	20%
4	\$250,000	23%
5	\$500,000	25%
Custom	Custom	Custom



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Below are the applicable direct Service Provider WorkspaceONE discounts for each contract level:

Level	Discount	Monthly MSRP Commit	Monthly Rental Points
1	10%	\$500	N/A
2	15%	\$1,000	N/A
3	25%	\$10,000	N/A
4	35%	\$50,000	N/A
5	40%	\$100,000	N/A
1R	0%	\$0	360 points
2R	10%	\$0	1,800 points
3R	15%	\$0	10,800 points
4R	30%	\$0	30,000 points
5R	40%	\$0	100,000 points

Note: Levels 1 through 5 are open to all Service Providers. Levels 1R to 5R are open to Service Providers that have an existing rental contract.



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Below are the applicable direct Service Provider **VMware Cloud on AWS** discounts for each contract level:

New & Existing VCPP Partners		
Based on Estimated MSRP Consumption		
MSP Level	MSP Discount	MSP Commit MSRP Spend (\$)
1	19%	\$144,000/yr (\$12k/mo)
2	21%	\$420,000/yr (\$35k/mo)
3	22%	\$1,200,000/yr (\$100k/mo)
4	26%	\$2,700,000/yr (\$225k/mo)
5	30%	\$4,200,000/yr (\$350k/mo)

Existing VCPP Rental Partners Only			
Commit Levels Based on Existing VCPP Rental Contract			
MSP Level	MSP Discount	MSP Commit MSRP Spend (\$)	Minimum VCPP Rental Points Contract Level (determines MSP discount eligibility)
1R	5%	\$0	360 pts
2R	10%	\$0	1,800 pts
3R	15%	\$0	10,800 pts*
4R	18%	\$0	30,000 pts
5R	20%	\$0	100,000 pts

*3,600 points for developing regions

Note: Levels 1 through 5 are open to all Service Providers. Levels 1R to 5R are open to Service Providers that have an existing rental contract.



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Monthly Processing Fees Example: calculation of the Processing Fee for an MSP Contract is set forth below for a Service Provider that ordered Cloud Services through an Aggregator. For January 2017, the net bookings are below \$5,000 which qualifies for a 11% processing fee. In February 2017, the processing fees have changed to 8% since the net bookings amount is greater than \$5,000. In March 2017, the Service Provider increased their usage but the monthly net bookings amount is still within the 8% processing fee tier.

Aggregator Monthly Processing Fees Example					
Mo.	MSRP	Service Provider Discount	Net Bookings	Processing Fee Percentage	Processing Fee Amount
Jan 2017	\$5,000	15%	\$4,250	11%	\$467.50
Feb 2017	\$7,500	15%	\$6,375	8%	\$510.00
Mar 2017	\$52,000	18%	\$42,640	8%	\$3,411.20
Total					\$4,388.70

Pre-Pay Processing Fees Example: calculation of the Processing Fee for an MSP Contract is set forth below for a Service Provider that ordered a pre-pay Cloud Service through an Aggregator. The net bookings pre-pay amount is \$800,000. This pre-pay net booking is greater than \$500,000 which qualifies for a 0.5% processing fee. This processing fee will be a one-time processing fee to the Aggregator not a monthly processing fee over the term of the pre-pay.

Pre-Pay		
Net Booking	Processing Fee Percentage	Processing Fee Amount
\$800,000	0.5%	\$40,000
Total	One-time	\$40,000



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9. Aggregator Not For Resale (NFR) License Keys

VMware provides Aggregators with access to many software products to enable a successful VMware virtualization practice. Not-For-Resale (NFR) software is available to Aggregators in good standing for product demonstration and training purposes only. One year of Cloud Services is included with NFR software if the partner remains in good standing within the parameters of the VMware Partner Program.

Under no circumstances can these NFR software copies be copied, resold, hosted or distributed to any third party or used for partner information processing or computing needs.

For more specific policy and license keys available please reference the [VMware NFR Policy Guide](#).



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Partner Central Helpful Links

Advantage+	www.vmware.com/go/adplus
Development Funds (formerly MDF)	www.vmware.com/go/devfunds
Enterprise License Agreements (ELA) Preferred Pricing	www.vmware.com/go/ela
Enterprise Purchasing Program (EPP)	www.vmware.com/go/epp
Internal Use Licenses (IUL)	www.vmware.com/go/iul
Lead Sharing Program	www.vmware.com/go/marketingacademy
Marketing Academy	www.vmware.com/go/leads
Not for Resale Licenses (NFR)	www.vmware.com/go/nfr
Partner Central	www.vmware.com/go/partnercentral
Partner Link	www.vmware.com/go/partnerlink
Partner Locator	partnerlocator.vmware.com
Partner Marketing Bureau	www.vmware.com/go/marketingbureau
Partner Support Center	www.vmware.com/go/partnersupportcenter
Partner Technical Support	www.vmware.com/go/techsupport
Partner University	www.vmware.com/go/partneruniversity
Partner Technical Support	www.vmware.com/go/techsupport
Premier Rewards	www.vmware.com/go/premierrewards
Promotions	www.vmware.com/go/promotions
Renewals	www.vmware.com/go/renewals
Sales Rewards	www.vmware.com/go/salesrewards
Solution Competencies	www.vmware.com/go/solutioncompetencies
Solution Enablement Toolkits (SETs)	www.vmware.com/go/SET
Solution Rewards	www.vmware.com/go/solutionrewards
Specializations	www.vmware.com/go/specializations
Cloud Services	www.vmware.com/go/partnercentral/sdp
Twitter	Twitter.com/vmwarepartners
vmLIVE Schedule	www.vmware.com/go/vmlive
VMware Blogs	Blogs.vmware.com/partner
VMware GRID	www.vmwaregrid.com
VMware Certified Professional (VCP)	www.vmware.com/go/vcp
VMware Purchasing Program (VPP)	www.vmware.com/go/vpp
VMware Sales Professional (VSP)	www.vmware.com/go/vsp
VMware Technical Solutions Professional (VTSP)	www.vmware.com/go/vtsp
VSP Boot Camp (formerly SolutionTracks)	www.vmware.com/go/vspbootcamp
Website-in-a-Box	www.vmware.com/go/websiteinbox



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