

## TOP CONTRIBUTOR INITIATIVE FOR SOFTWARE RESELLERS 2004 REFERENCE SHEET

### DESCRIPTION

The Top Contributor Initiative for Software Resellers (TCI) is an IBM initiative to recognize and reward top performing resellers for selling IBM software to specific end user customer sets, as designated by IBM. There are several levels of participation and each has different qualification requirements and earn different levels of financial reward. The major levels are:

- New TCI Business Partner, for IBM Business Partners who have not participated in the Top Contributor Initiative for the prior 12 months
- Standard, for IBM Business Partners who have participated in Top Contributor Initiative for the prior 12 months, however, Business Partners are not eligible for the TCI Standard level until the first day of the quarter after they have reached 12 months of participation.

The financial reward of the Top Contributor Initiative is the Market Growth Fee offering. This is a fee payment which is earned for selling and fulfilling new software licenses (not maintenance after license or maintenance renewal) of selected IBM distributed middleware software products. These products are fulfilled through IBM Passport Advantage or IBM Passport Advantage Express which are IBM's license acquisition and maintenance programs for distributed software. Eligible sales are required to be end user customers designated by IBM as small and medium-sized business (SMB) accounts. SMB accounts are typically companies with less than 1000 employees.

The Top Contributor Initiative may be mutually exclusive with other IBM programs and offerings. A Business Partner may participate in both the Value Advantage Plus Initiative and the Top Contributor Initiative but will only receive benefits from one initiative for a given product sale. IBM reserves the right to either withdraw or change the Top Contributor Initiative and the associated benefits at any time. IBM reserves the right to make the final determination on participation and benefits. Other restrictions may apply.

### BENEFIT

Business Partners who are fully approved for Top Contributor Initiative can earn a fee payment on qualifying sales. The fee is paid quarterly, and varies based on enrolled level of participation. The fee percentages are as follows:

For Business Partners at the New TCI Business Partners level, 8% on eligible revenue

For Business Partners at the Standard level, 8% on eligible revenue plus an additional 2% on eligible revenue for Business Partners who have earned a Premier level of membership in Partner World for Software

In certain countries an Entry level of participation is offered; the fee percentage for this level is 5% on eligible revenue

In addition, Business Partners approved for the Standard level are eligible for a 5% quarterly bonus if they achieve their assigned quarterly revenue target.

IBM calculates eligible revenue based on the approximated Suggested Retail Price or Suggested Volume Price for a qualifying product sale. The sale must be fulfilled under the Passport Advantage Program and be a new license sale to an SMB account to qualify. Qualifying orders are orders received from a Business Partner's TCI Preferred Distributor, where applicable, from the first day of the month in which they enrolled in TCI through December 31, 2004. (Orders from January 1, 2004 are eligible for Business Partners who enroll within 30 days of the 2004 program launch). Other restrictions may apply.

### TARGET AUDIENCE

The Top Contributor Initiative is for Business Partners that resell significant amounts (greater than \$100,000) of new IBM distributed middleware software licenses to end user customers that are designated by IBM as SMB accounts. (In countries where the Entry level of Top Contributor Initiative membership is offered, a lower amount is acceptable).

### CRITERIA TO PARTICIPATE

To qualify to participate in the Top Contributor Initiative a Business Partner must:

- Be a participant in IBM PartnerWorld, in good standing, at the Advanced or Premier Level (for the Entry Level which is offered in certain countries, Member level is sufficient)
- Have at least one current IBM PartnerWorld accepted technical software certification of IBM middleware products
- Be a software reseller of IBM middleware software and fulfill products under the IBM Passport Advantage Program, through an authorized Distributor for Workstation Software
- Have an agreed-to business and marketing plan to drive sales in SMB accounts
- Submit an enrollment form and be approved by IBM for the Top Contributor Initiative.

To receive Market Growth Fee payments, a Business Partner must:

- Meet a minimum eligible revenue milestone of \$25,000 USD (this does not apply to the Entry Level of the Top Contributor Initiative)
- Have accepted the 2004 Market Growth Fee offering terms and conditions and received confirmation back from IBM
- Have provided IBM with the necessary tax information and other information needed for IBM to make Business Partner fee payments.

### CONTRACT STIPULATION

Business Partners must accept the terms and conditions of the Market Growth Fee For Software Resellers - Offering Attachment to the IBM Partner World Agreement and the fee schedule. These documents, along with the Operations Guide, will be available for download from the PartnerWorld for Software web site once a Business Partner has successfully enrolled in the Top Contributor Initiative and been approved.

To apply for the Top Contributor Initiative, or to learn more about it, Business Partners that are approved for IBM PartnerWorld membership can go to the IBM PartnerWorld web site <http://www.ibm.com/partnerworld/topcontributor>.