

International Business Machines Corporation

IBM SALES
ASSISTANCE PROGRAM
OPERATIONS GUIDE

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1.0 IBM SALES ASSISTANCE PROGRAM

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1.2 IBM SALES ASSISTANCE PROGRAM OVERVIEW

1.2.1 Program Overview

The IBM Sales Assistance Program allows qualified Business Partner firms to be compensated for pre-installation, marketing and sales efforts resulting in IBM/Lotus software (Program) sales.

1.2.2 Program Benefits

The IBM Sales Assistance Program can improve the profitability of approved Business Partners who perform pre-sales marketing and sales activities which result in IBM/Lotus software Program sales. This program also provides a vehicle for program participants to be eligible to receive reimbursement for expenses associated with their investments in IBM/Lotus software Program sales and marketing activities.

1.2.3 Program Requirements

Participants must be an active member of the IBM PartnerWorld for Software Program and have an advanced or premier level. IBM Sales Assistance Program participants earn compensation for convincing the end-user customer to acquire selected IBM/Lotus software Programs. Participants are expected to do some or all of the following:

- Perform End User needs analysis;
- Identify and select the technology based upon the End User's requirements;
- Demonstrate eligible Products and Services;
- Provide configuration support to the End User;
- Develop implementation plans;
- Inform the End User of the Product's installation requirements; and
- Not make any representations that IBM is responsible for the Product's configuration or its ability to satisfy the End User's requirements.

Participants in this program are highly skilled sales and technical professionals who are able to persuade customers to commit to IBM/Lotus software Programs.

1.2.4 Forms of Compensation

The IBM Sales Assistance Program has one form of compensation, fees (hard dollar rewards).

Hereafter, these form of compensation is collectively called "Compensation."

Participants are approved for fee reimbursement by Product Category. An example of a Product Category is TRANSYS, which includes products like MQSeries(R) for AIX(R) or MQSeries for Windows. These Product Categories are listed in the IBM Sales Assistant Program Exhibit-la . A participant receive hard dollar rewards for each Passport Advantage Software sale on a transaction-by-transaction basis, if the participant is approved for hard dollar rewards and if the software product is eligible for hard dollar rewards.

1.3 ELIGIBILITY CRITERIA

1.3.1 Program Eligibility Criteria

The IBM Sales Assistance Program was announced May 1st, 2001, in Latin America, to qualifying, customer-facing IBM PartnerWorld for Software Program member companies.

Business Partner firms approved for other IBM Business Partner relationships may also participate, as long as they meet all the requirements of the program, including membership in the IBM PartnerWorld for Software Program. Some restrictions may apply based upon involvement in other IBM incentive programs. To remain eligible for the IBM Sales Assistance Program, participants in the program must maintain their technical marketing expertise in the Product Categories for which they are approved. When necessary, IBM reserves the right to request proof from the program participant that they have maintained their expertise. If the program participant does not maintain their technical marketing expertise in their approved Product Categories, the affected category/categories may be removed from their Schedule, and they will no longer be eligible to earn Compensation for Programs in these Product Categories.

1.3.2 Applying for the IBM Sales Assistance Program

To apply for the IBM Sales Assistance Program, applicants must submit an application specifying the Product Categories for which they wish to be approved. IBM will verify that the applicant meets the requirements for each Product Category requested and will approve the applicant for those categories for which the requirements are met. There are two types of Product Categories:

- Product Categories for which there are approved IBM Professional Certifications available, and
- Product Categories for which there are no approved IBM Professional Certifications available

Entry criteria are specific to the type of Product Category and the type of Compensation.

- This is the table we will use to determine which SW is entitled to a fee:

Sales Assistance Category	Certification needed to be part of one of the following PWSW segments
APPLICATN INTEGRATN MIDDLEWARE	E-business or Visual Age for Java or WebSphere or MQSeries
BUSINESS CONNECT	E-business or Host Integration
CONTENT MANAGEMENT	E-business or Data
DATABASE MANAGEMENT	E-business or Data or Business Intellegence
E-COMMERCE	E-business or e-commerce
INDUSTRY SOLUTIONS	E-business or Visual Age for Java or WebSphere
LIFE SCIENCES	E-business or Data
OPERATING SYSTEM	E-business or Host Integration
PERVASIVE COMPUTING DIVISION	E-business or WebSphere
SPEECH	E-business
LOTUS	E-business or Lotus

Note: List of certifications are in the PartnerWorld for Software web page. The certifications are under each name of category listed.

The Business Partner will be approved to certain categories at the time he signs the contract. The categories will be determined depending on the certifications they have based on the above table. For example, if a BP has any of the e-business certs, they will be accepted on any category, note that need to have at list one technical certification. If a BP has only a cert on MQSeries, they will be accepted only in the OPSYS, TRANSYS and VOICE categories. The Certifications are mapped with the Segments on the current Accepted list of certs in the PWSW web site.

1.3.3 Product Category Eligibility

All Product Categories and the list of eligible software Programs are in the Sales Assistant for Software, Sales assistant program exhibit-1a. Each participant's list of approved Product Categories is maintained in their Sales Assistant for Software Schedule.

When changes are made to the Sales Assistant for Software Exhibit, program participants are notified via e-mail and the change will be in the Sales Assistance Program for Latin America home page. Programs withdrawn from the Sales Assistant for Software Exhibit are eligible for payment for up to six months from the date of their withdrawal, unless specified otherwise in writing.

1.3.3.1 Eligibility for Fees

Eligibility for fees only applies to IBM/Lotus workstation Programs. To be eligible for Fees, you must be at the advanced or premier level in the IBM PartnerWorld for Software Program and signed the Sales Assistance Contract.

1.3.4 Adding Product Categories to a Schedule

Approvals for adding Product Categories to an existing Schedule are handled by the program coordinator and the membership center.

The program participant must fax a letter with the change request and the proof of new certification or the reference letter (for non-certified categories), to the Membership Center at local partner line fax number; or e-mail to:

pwswmch@br.ibm.com

The Latin America Software MemberShip Center will determine Product Category eligibility based on the criteria found in Sections 1.3.2. When additional Product Categories are added to the program participant's Schedule, they become valid on the date the Categories were approved (Approval Date).

Note: Transactions for software Programs in the newly added Product Categories that have an FDOC/proof-of-purchase date prior to the Approval Date, are not eligible for Compensation

When additional Product Categories are added to a program participant's Schedule, the Latin America Software MemberShip Center will notify the Country Program Manager (CPM), the program participant's Schedule will be updated. CPM print 2 originals of the new schedule agreement and sent to the program participant. The program Participant must signed and returned to the CPM. CPM obtain the IBM sign, send one original to the program participant, send a copy to Membership center. In addition, the Latin America Software MemberShip Center will also update the information in the system.

1.3.5 Sample Customer Reference Letter (for non-certified categories)

Following is a sample customer reference letter:

Please accept this letter as reference supporting the technical and sales capabilities of (Partner Name). (Partner Name) has assisted my firm, (Customer Name), in selecting and utilizing software products in our (Workstation) environment.

The specific products that this business partner has addressed are:

(Category Name)	(Product Name)
(Category Name)	(Product Name)
etc.	etc.

(Partner Name) has participated in planning and decision making activities at (Customer Name) that have influenced the purchase of these software products and/or has expanded our understanding of the way these products fulfill our business needs. (Partner Name) has demonstrated the technical expertise and selling skills required by our business.

I strongly support the approval of (Partner Name) in the software categories listed above.

1.4 PROGRAM APPLICATION AND CONTRACT PROCESS

1.4.1 Applying for the IBM Sales Assistance Program

To apply for participation in the IBM Sales Assistance Program, new applicants must sign and submit an IBM Sales Assistance Program Application. The application is available from the program web site at:

<http://www-4.ibm.com/software/partners/salesassistance/la-english/>

You may also call local PartnerLine and they will fax or mail you a copy of the application.

Completed applications should be sent to local partner line fax.

Membership center evaluate the application form according to the “Sing Contract Verification Procedures”.

1.4.2 Contract Processing

Once an application is completed and approved, the Profile and Schedule information is forwarded by the Latin America Software Member Ship Center to the Country Program Manager (CPM) for contract package creation and distribution. The CPM must print 2 originals of the contract, one for the Business Partner and one for IBM.

The CPM will send a copy of the IBM Business Partner Contracts to the program applicant for their signature (See Section 1.4.4, Contract Structure). Completed contracts should be returned to Local IBM Office to the CPM within 30 days for processing and filing.

When the completed contracts are received from the Business Partner, the CPM will take care that IBM representative sign the contracts. After that, CPM will send out to the business partner a original of the contract and a welcome packet containing a welcome letter with a quick reference sheet that includes instructions on how to access the IBM Sales Assistance Program web site to get copies of the Exhibit, the Operations Guide, the Project Form, and the Sales Assistance Payment Form.

At that time, the CPM will send the Latin America Software Membership Center a copy of the contract. Program participant Profile and Schedule information is loaded into the LA SWG Incentive Program Portal system by the Latin America Software Membership Center. The contract effective date is the first day of the month during which the signed contract is received by IBM.

1.4.3 IBM PartnerWorld for Software Program Membership

The approved Business Partner firm must maintain their membership in the IBM PartnerWorld for Software Program. It is the Country Program Manager's responsibility to ensure that the program participant firms are IBM PartnerWorld for Software Program members upon application to the program.

If the program participant firm subsequently joins the IBM PartnerWorld for Software Program, they must resubmit an application for the IBM Sales Assistance Program.

1.4.4 Contract Structure

- The IBM Sales Assistance Program contracts are:
- IBM Business Partner Agreement - Basic General Terms
- IBM Business Partner Agreement - Sales Assistant for Software Attachment
- IBM Business Partner Agreement - Sales Assistant Profile
- IBM Business Partner Agreement - Sales Assistant for Software Schedule
- IBM Business Partner Agreement - Sales Assistant Program Exhibit-Latin America

1.4.5 Contract Renewal

All signed and approved program contracts expire on December 31, 2001. Contract renewals are subject to the terms and conditions of the program.

1.5 OPPORTUNITY REGISTRATION

1.5.1 Submitting a Project Form

Program participants must register their sales opportunities with IBM according to the following time frames. Opportunity registration is done using a Project Form.

- For IBM/Lotus workstation software, the opportunity must be registered at least 15 days prior to the date on the document submitted as proof-of-purchase.

For Workstation software, if the proof-of-purchase is an end-user invoice, the Project Form must be submitted 15 days prior to the end-user invoice date. If proof-of-purchase is a purchase order, the Project Form must be submitted 15 days prior to the date of the purchase order. If proof-of-purchase is a Passport Advantage Agreement number, the Project Form must be submitted 15 days prior to the sales order date.

Program participants should ensure that they are using the latest version of the Project Form available from the PartnerWorld for Software web site at:

<http://www-4.ibm.com/software/partners/salesassistance/la-english/>

or from Local Partner Line.

Project Forms will be accepted as soon as the IBM Sales Assistance Program contracts have been signed by IBM. Project Forms sent to IBM prior to the contract date will be time stamped and held until the contracts are signed. Project Forms submitted prior to the contract date, should be faxed to the Membership center at local partner line fax. Project Forms will be accepted as of the date of the time stamp, or the date of receipt of the application, whichever is later. If the products on the held Project Form(s) were billed prior to the contract date, the Business Partner is not eligible for Compensation.

Completed electronic Project Forms should be sent to the membership center for processing at:

pswmch@br.ibm.com

Forms can be faxed to local partner line with “IBM Sales Assistance Program” on the cover page of the fax.

Note: the name of the contact in the registration form must be the Power Sponsor.

1.5.2 Project Form Processing

Upon receipt of an electronically or fax submitted Project Form, the Latin America Software Membership Center will review if the opportunity is a partnership account (not in the cluster list). The Latin America Software Membership Center will acknowledge receipt, and confirm, if appropriate, if the opportunity qualifies for the Mid Market Compensation percentage, of electronically submitted Project Forms, within 5 days of receipt.

The Latin America Software Membership Center will assign a tracking number and send an e-mail confirmation of receipt to the program participant within 10 days of the original submission date (copy the BPSM).

If one of the following situations occurs, Latin America Software Membership Center will notify the program participant that their Project Form is not accepted and explain the:

1. The Business Partner is not a registered participant in the IBM Sales Assistance Program
2. The total revenue opportunity listed on the Project Form is less than \$1,500 (U.S.);
3. The end user requests rejection of the Project Form;
4. The Project Form contains no approved Product Categories for the Business Partner;
5. The Project Form is for a customer address outside the approved geographic boundaries of the program;
6. The Business Partner specifies that a special bid is in effect, per the Project Form;

7. The program participant fails to meet their responsibilities as stated in the Sales Assistant for Software Attachment at any time.

If more than one program participant submits a Project Form for the same opportunity, the Latin America Software Membership Center will, on a best effort basis, notify each participant by e-mail that this opportunity has been registered by multiple program participants. (See Section 1.7.2, Approving Sales Assistance Confirmation Forms)

If this opportunity is part of an IBM Special Bid, as indicated on the Project Form, the Latin America Software Membership Center will forward the e-mail to the program participant who will work with the Local program manager to determine the appropriate Compensation. The Compensation must be approved by the Local program manager, who will then send payment authorization to the Latin America Software Membership Center. This payment authorization states the revenue basis for payment, Product Identification (PID) Number, and applicable Compensation percentage. It is the Latin America Software Membership Center responsibility to notify the program participant of their Compensation associated with the Special Bid.

Upon receipt and acceptance of the Project Form, membership center will send a e-mail to the customer. The letter describes the participant's expertise and their role in the sales opportunity and notifies the end user that once they decide to purchase the recommended IBM software Program. (See Section 1.5.3, End User Letter). Membership center will file the letter in the system.

If a program participant does not receive verification of receipt of the Project Form, with a tracking number, within 10 working days after submitting a Project Form, they should contact the Latin America Software Membership Center at local partner line.

Membership center must follow the project form verification procedure for this section.

1.5.3 End User Letter

Customer Name

Customer Company Name

Customer Address

Customer City, State & Zip Code

Att.: Customer Name,

This letter is to inform you that <business partner name> is a participant in the IBM Sales Assistance Program, and as such, has demonstrated to IBM that they are a skilled software sales resource and are qualified to perform pre-sales activities as an IBM Business Partner. <Business partner name> is working to identify your requirements and to make recommendations regarding the use of IBM software products in your organization.

If your firm decides to acquire IBM software as a result of these pre-sales activities, <business partner name> will ask you to sign a Sales Assistance Payment Form verifying their influence on your decision to acquire this software. Please sign the Sales Assistance Payment Form only if <business partner name> actually worked with you to identify and understand your requirements, and consequently had an influence on your decision to acquire the software identified on the form.

The Sales Assistance Program is not intended to conflict with any relationship you may have, now or in the future, with any other IBM Business Partners. If you decide to acquire the recommended IBM software as a result of <business partner name>'s efforts, you remain free to acquire the software from whomever you choose. You are not obligated to acquire the software from <business partner name>, unless you choose to do so.

Thank you for considering IBM software. If you require additional information, please contact <business partner name> at <business partner phone number>. If you have any questions or concerns regarding this program, please contact < Local Program Manager's Name>, Local program manager, at <phone number>.

Sincerely,

Manager responsible
Manager's title

1.5.4 Project Form Expiration

All Project Forms expire after six months. The program participant will be notified by membership center via e-mail two months prior to a Project Form's expiration and again one month prior to expiration.

If the participant is still engaged with the end user, they can extend the registration of the opportunity for another six months from the date that the extension is filed.

1.5.5 Project Form Extensions

Project Forms may be extended at any time. Project Forms are extended for six months from the date of receipt of the request for extension. There is no limit to the number of times a program participant may extend a Project Form. Project Form extensions will not cause another letter to be sent to the end user.

Business Partners may not modify or add Product Categories to an existing Project Form. If additional Product Categories are added to a Project Form at the time of the extension request, a new Project Form with a new start date will be created.

Project form extension is like a submit a project form (describe in 1.5.1 section), must mark yes in the question Is this an extension to an existing Project Form? And add the tracking number of the opportunity previously register.

1.5.6 Project Form Tracking

The Latin America Software Membership Center will maintain monthly reports of the registered Project Forms. This reports must be send the first week of the month to LA program manager, and country program manager (CPM).

CPM send the corresponding part of the report to the Business Partner Sales Manager (BPSM) of each program participant.

1.6 PROGRAM PARTICIPANT ACTIVITIES

1.6.1 Leads

Program participants are expected to generate demand and to develop their own leads and prospects. However, IBM retains the option, at their discretion, to pass qualified or unqualified leads to the business partner.

The Business Partners Sales Manager (BPSM) will work with the IBM Pillar team to make them aware of the specific software skills the IBM Sales Assistance Program participants can contribute to their accounts.

1.6.2 End User Activities

Program participants are expected to lead the pre-sales activities at the account for the software Programs in the Product Categories for which they are approved and for which they have registered as opportunities. Program participants are expected to submit a written proposal to the end user for the software Programs for which they expect to receive Compensation. In addition, the end user may request the program participant do some or all of the following:

- perform end user needs analysis and Program demonstrations
- provide consulting studies and proposals
- develop implementation plans
- lead customer pilot or prototype efforts

The program participant must also ensure that an implementation plan is in place. They are not required to provide any follow-on services or support, except as required by other IBM relationships.

1.7 PAYMENT PROCESSING

1.7.1 Submitting Sales Assistance Payment Forms

Once the end user has decided to acquire the IBM/Lotus software Program proposed by the program participant, a Sales Assistance Payment Form must be completed and submitted to the Latin America Software Membership Center within four months of the date on the document submitted as proof-of-purchase for IBM workstation Programs.

Sales Assistance Confirmation Forms are available from the program web site at:

[Http://www-4.ibm.com/software/partners/salesassistance/la-english/](http://www-4.ibm.com/software/partners/salesassistance/la-english/)

or at local partner line.

Sales Assistance Payment Forms will be accepted at list 15days after the Contracts for the IBM Sales Assistance Program are accepted by IBM.

After the Contracts are accepted by IBM, payment will be made, provided a valid Project Form was filed according to the time frames listed in Section 1.5.1 Submitting a Project Form, and this date is equal to or later than the application date, and all other program terms and conditions are met. The Sales Assistance Payment Form must also be signed by the customer.

The customer signature on a Sales Assistance Payment Form is valid for four (4) months after the date on the document submitted as proof-of-purchase for IBM workstation software Programs.

For phased installations, the signature on the Sales Assistance Confirmation Form is valid for twelve (12) months from the date of the signature.

Sales Assistance Confirmation Forms are complete if they have the software Program names, PartnerWorld for Software number, Product Category (as it appears in the participant's Schedule), customer company name and end user contact name, address, and signature** in addition to the program participant's name, signature.

** The customer employee who signs the Sales Assistance Confirmation Form must be a current employee of the customer at the time the Sales Assistance Confirmation Form is received by IBM. The customer must be the Power Sponsor.

Payment requests for IBM/Lotus workstation software Programs require proof-of-purchase documentation to be submitted along with the Sales Assistance Payment Form. Proof-of-purchase documentation consists of one of the following:

1. a copy of the end-user invoice (prices may be removed prior to submittal), or
2. hard copy of customer's purchase order (prices may be removed prior to submittal) (Electronic (EDI) documentation is not acceptable proof-of-purchase documentation), or
3. Passport Advantage Agreement information, including
 - Customer name
 - Passport Advantage Agreement number, if available
 - IBM part number(s)
 - Program name(s)
 - Approximate order date
 - Quantity

The seven-digit IBM part number of product information must be included with option 3.

Completed Sales Assistance Payment Forms should be faxed or mailed to the Latin America Software Membership Center at:

pwswmch@br.ibm.com

Or Fax: Local partner line fax

1.7.2 Approving Sales Assistance Payment Forms

The Latin America Software Membership Center is responsible for processing all Sales Assistance Payment Forms. Membership Center must follow the "Payment Form Register Verification Procedures".

The Latin America Software Membership Center payment process is:

1. Send an e-mail to the program participant acknowledging receipt of the Sales Assistance Payment Form within 10 days. If the program participant does not receive this confirmation, they should contact Latin America Software Membership Center.
2. Check for a corresponding Project Form. If any of the following conditions exists, notify the program participant that they are not eligible for payment:
 - a. No corresponding Project Form on file
 - b. The corresponding Project Form was received in less than the time frames listed in Section 1.5.1 Submitting a Project Form
 - c. The corresponding Project Form is invalid, expired or rejected
 - d. The opportunity revenue estimate is less than \$1,500 (U.S.), (for the entire Sales Assistance Confirmation Form)
 - e. Customer requested that the Project Form be rejected
 - f. No Customer signature and title.
3. Check for completeness and notify the program participant if any of the following occurs:
 - a. Signatures, signature dates, customer title, Program numbers, or Product Categories are missing;
 - b. Proof-of-purchase is required, and supplied, but none (or only some) of the Programs match those listed on the Sales Assistance Payment Form;
 - c. No proof-of-purchase provided for IBM workstation software Programs, or insufficient information provided to validate the sale;
 - d. For all IBM/Lotus workstation software Programs, determine if special bid pricing was offered and accepted. Review if a special bid notification was sent for the transaction(s). If special pricing was offered, obtain the adjusted Suggested Volume Price (SVP) from the database and update the Sales Assistance Payment Form;
 - e. For Passport Advantage software Program sales, ensure that the sale was made by checking the Lotus Notes Fastpass Database.
4. When more than one Project Form exists for the same sales opportunity, payment eligibility must be determined. Once a Sales Assistance Payment Form is received for an opportunity where more than one Project Form is on file, the Latin America Software Membership Center will, on a best effort basis:
 - a. Send an e-mail to the program participant who submitted the Sales Assistance Confirmation Form advising them that their Compensation will be pended for 21 days while the submitters of the other Project Forms on file for this opportunity are notified.
 - b. Send an e-mail to the other program participant(s) with Project Forms on file for this opportunity advising them that a Sales Assistance Payment Form has been received for this opportunity; and that they have 21 calendar days to submit a Sales Assistance Confirmation Form for this opportunity.

There is a maximum of one IBM Sales Assistance Payment per Program part number (for IBM workstation and Lotus Programs).

If more than one participant requests payment within the 21 day period, and the end user confirms that more than one participant influenced the sale, the Compensation will be split. Hard dollar rewards are calculated and split. IBM reserves the right to contact the customer directly to verify a business partner's involvement and influence in their account.

1.7.2.1 Payment Eligibility

No IBM Sales Assistance Program Compensation will be paid for programs sold in to a State, Local Government or cluster customer.

1.7.3 Processing Sales Assistance Payment Forms

The Latin America Software Membership Center is responsible for calculating the appropriate Compensation based on the Sales Assistant for Software, Sales assistant program exhibit-la .

1.7.3.1 Payment Validation for IBM Workstation Software Programs

For IBM workstation software Programs, the Latin America Software Membership Center will verify whether a special bid has been approved for this customer by using the Lotus Notes Contract Tracking Database (SPLOG). **No payment will be made for special bid opportunities unless approved in advance by the Local program manager.**

The Latin America Software Membership Center will then verify that the sale occurred. Passport Advantage sales will be verified by using the Lotus Notes Fastpass Database. Other IBM workstation software Program sales will be verified by checking each Program listed on the Sales Assistance Payment Form against a hard copy purchase order or end-user invoice for Passport Advantage sales. The Latin America Software Membership Center will only approve payment for IBM workstation Programs that have been verified.

The Latin America Software Membership Center will verify the appropriate Workstation Product Category into the System.Checks Schedule information to ensure that the program participant is authorized to receive payment for the Product Categories entered.

If no Programs on the Sales Assistance Confirmation Form are authorized for the program participant, the Latin America Software Membership Center will notify the program participant that their Sales Assistance Confirmation Form has been rejected and will explain why.

1.7.3.2 Payment Calculation

The Latin America Software Membership Center will determine the appropriate Compensation for each of the Programs on the Sales Assistance Confirmation Form as indicated in the Sales Assistant for Software, Sales assistant program exhibit-la .

For companies operating in the Latin America:

For IBM/Lotus workstation software Programs to be eligible, the software Program must be listed in the Sales Assistant Program Exhibit - Latin America, or if an equivalent is listed in the Passport Advantage Table.

For Passport Advantage sales of IBM workstation software products, the Compensation fee will be 15% of the SVP level C price.

As an example, if a Sales Assistance Program participant performs the pre-sales technical work that convinces a customer to buy a 32 licences of DB2 WorkGroup Edition for internet and 2 DB2 Enterprise Edition. This participant could earn a bonus of approximately \$16,409 USD for their efforts. It is the 15% over the SVP level C of the transaction.

1.7.3.3 Releasing Payment

Once the Sales Assistance Payment Form is approved, program participants requesting a fee (hard dollar rewards) will receive a notification.

Program Participant bring the bill to IBM account payable to be processed and the payment will be made according to the local payment agreement.

If a program participant has a question about the Compensation they have received, they should contact their Latin America Software Membership Center, using the e-mail address or telephone number listed on their Business Detail Report. The Latin America Software Membership Center will send a copy of the transaction detail to the program participant.

1.7.3.4 Recovering Fees for Returned Products

For IBM/Lotus workstation software Programs returned within the warranty period, the entire payment will be reclaimed by IBM.

1.7.4 Compensation Payment Exceptions

In some instances, Compensation payment exceptions may be warranted. In all cases, requests for Compensation payment exceptions must be approved by the Local program manager in advance of any payment being made.

The following are the four most common instances where an IBM Sales Assistance Program Compensation exception can occur. These, as well as all exceptions, should be submitted and approved prior to submission of the Sales Assistance Confirmation Form:

1.7.4.1 IBM Special Bid Pricing

If the payment request is for an opportunity that is sold to the customer by a special bid, it is the responsibility of the program participant to notify IBM on the Project Form and the Sales Assistance Payment Form. When the Latin America Software Membership Center is processing a Sales Assistance Payment Form with a special bid designation, the Latin America Software Membership Center will check their files to determine if an amount was pre-approved for the transaction. Such pre-approval would be in the form of a Lotus Note from the Local program manager or their designee. If this is not done, and approval is not obtained, no Compensation will be paid.

1.7.4.2 Phased Installations:

An alternate way that processing can be handled is for the program participant to indicate on the Sales Assistance Confirmation Form that the transaction is part of a phased installation. Then, as the latter phases of the software Program(s) are installed, the program participant files the first page of the original Sales Assistance Confirmation Form, signed by the customer, and a new second page of the form indicating this phase's Programs in detail. Sales Assistance Confirmation Forms for phased installations are valid for twelve (12) months from the First Date of Charge (FDOC) of the first Program installed, or from the date on the document submitted as proof-of-purchase for IBM workstation software Programs.

1.7.4.3 Project Form Submissions:

As the verification of application information is a lengthy process, Project Forms may be submitted along with an applicant's application, but not before. Project Forms sent to IBM prior to the contract date will be time stamped and held until the contracts are accepted by IBM. After the contracts are accepted by IBM, Project Forms will be accepted as of the later of the date of the time stamp on the Project Form, or the date of receipt of the application. If the Programs on the held Project Form were billed prior to the contract date, the Business Partner is not eligible for Compensation.

1.7.4.4 Fee Payment Over the Program Limit

There is a maximum per firm Compensation of \$40,000 (U.S.), for the sale of a single Program part number (for IBM workstation Programs) per software serial number per transaction. If an exception to the program limit on Compensation is requested, additional documentation, testifying to the Business Partner's involvement and activities at the account, may be required to support the exception request. Payments of Compensation above the program limit are subject to IBM's approval.

1.8 EXCEPTION REQUEST PROCESS

1.8.1 Exception Request Process Description

The Exception Request Process only applies to situations where an IBM Sales Assistance Program participant is not able to meet the guidelines of the program due to unique circumstances. These situations include IBM errors, other extenuating circumstances caused by IBM, or unique situations which must be evaluated on their own merits. Exception Requests usually fall into one of the following five areas:

1. A Project Form is not received by IBM within the time frames specified in Section 1.5.1, Submitting a Project Form
2. A Sales Assistance Payment Form was not signed by the end user customer.
3. A Sales Assistance Payment Form was not received by IBM within 4 months of the First Date of Charge (FDOC) / proof-of-purchase date.
4. A Business Partner firm believes they deserve a fee in excess of the program limit.
5. Other (must be described in detail):

Note: No exceptions will be granted for situations that were not caused by an IBM error.

1.8.2 How to Submit an Exception Request

If you believe you have a situation that warrants submitting an Exception Request, send an e-mail to MemberShip Center pwswmch@br.ibm.com.

Membership center will send the request to CPM and LA program coordinator to followup.

1.9 MEASUREMENTS AND TRACKING

1.9.1 Revenue Reporting

Revenue influenced by and Compensation paid to IBM Sales Assistance Program participants will be reported quarterly to Latin America Software Channels Managers. Report will be made by MemberShip Center.

1.9.2 Program Participant Tracking

The Latin America Software Membership Center is responsible for tracking the progress of the program participants. They will review program participant attainment a minimum of twice each year.

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