
PartnerWorld

Software



PartnerRewards

**Business Development Funds For the
IBM and Lotus Sales Assistance Program**

User Guide

North America

TABLE OF CONTENTS

What are Business Development Funds? 4

Who is eligible to earn Business Development Funds? 5

How do I earn and claim BDF Rewards? 6

Earnings Availability and Expiration - All Participants 8

Premier Participants

PartnerRewards Activity Planning 9

 Overview 9

 Earnings Estimate 9

 Plan Activities 10

Guidelines for Activity Planning 10

Analysis Information 11

Soft Dollar Rewards Claiming Process 12

 Filing Claims 12

 Auditing Claims 13

Soft Dollar Rewards Statements 14

PartnerRewards Application - First Time Users Guide 15

 Overview 15

 Access the Application 16

 Create an Activity 17

 Create a Claim 18

 View Account Status 19

Soft Dollar Rewards - Overview of Spending Categories 21

 Advertising 22

 Associations 24

 Communication Services 25

 Customer Satisfaction 27

 Education/Certification 28

 Equipment Support 30

 Marketing Campaign Services 31

 Marketing Seminars 33

 Product Sales Support 35

 Promotional Merchandise 36

 Sales Incentives 37

 Trade Shows 39

Advanced Participants

Activities 41
Claiming 41
Soft Dollar Rewards Statements 41
Soft Dollar Rewards Process - Overview of Spending Categories 41
 Advertising 43
 Associations 45
 Communication Services 46
 Education/Certification 47
 Equipment Support 49
 Marketing Campaign Services 50
 Marketing Seminars 51
 Promotional Merchandise 53

Premier and Advanced Participants

General Guidelines 54
Audit Documentation Requirements Matrix 56
Business Development Funds Expiration 57
Guidelines for Travel and Living Expenses 58
Guidelines for Advertising 59
IBM Logo and Trademark Guidelines 60
Terms and Conditions 61
Who to Call for Assistance 64

What Are Business Development Funds for the IBM and Lotus Sales Assistance Program?

When a qualified IBM and Lotus Sales Assistance Program Participant influences the sale of IBM or Lotus software, the Participant may choose to either earn fees (Hard Dollar Rewards) or receive expense reimbursement (Soft Dollar Rewards). Hard Dollar Rewards are fees that can be spent however the Participant chooses. Soft Dollar Rewards are available for reimbursement of expenses incurred as a result of marketing activities related to IBM and Lotus software products. In this document, we will refer to Business Development Funds (BDF) as the PartnerRewards name, Soft Dollar Rewards.

The IBM and Lotus Sales Assistance Program will use the PartnerRewards infrastructure to pay BDF Rewards. The PartnerRewards infrastructure provides a worldwide vehicle to incent Business Partners to create new IBM and Lotus business.

The PartnerRewards infrastructure will streamline processes, increase efficiency and provide more flexibility in using funds.

The PartnerRewards Program strives to meet several goals:

1. To increase total revenue for the Business Partners, IBM and Lotus.
2. To bring worldwide consistency to Business Partner incentive programs.
3. To offer an incentive program that is exceptional in design and process.
4. To create a true balance between two different types of incentive programs - fees and controlled spending funds.
5. To make it easier and more rewarding to do business with IBM and Lotus.

Who is eligible to earn Business Development Funds?

Business Development Funds are available to IBM and Lotus Business Partners who:

1. Are approved for participation in the IBM and Lotus Sales Assistance Program;
2. Are approved for a Soft Dollar Workstation category of software;

and

3. Have signed and accepted IBM and Lotus Sales Assistance Program contracts.

Occasionally, Software Program Member Level Partners may be able to participate in Soft Dollar rewards and are eligible to use the Streamlined Process.

How Do I Earn and Claim BDF Rewards?

The Process to Earn Rewards for Premier and Advanced Participants:

1. The Participant must file a Project Form prior to the First Day of Charge or the Date of the Proof of Purchase. See the *IBM and Lotus Sales Assistance Program Operations Guide* for more specifics on the Project Form. If the Participant specifies that he will claim Hard Dollar Rewards, a letter is mailed to the customer, stating that this Participant has demonstrated that they are a skilled software sales resource and will perform pre-sales activities as an IBM or Lotus Business Partner. If the Participant specifies that he will claim Soft Dollar Rewards only, no letter is mailed.

If the Participant is eligible for both Hard and Soft Dollar Rewards, the Participant may choose, on a transaction by transaction basis, to receive Hard Dollar Rewards or Soft Dollar Rewards. The reward preference must be made on the Project Form for that transaction.

2. The Participant provides sales support to the customer. The sale is closed and the software is installed.
3. The Participant files a Sales Assistance Confirmation Form, which will either cause a fee to be paid (if the Participant is requesting a fee), or will generate a credit to the Participant's BDF account. If the Participant is filing for Hard Dollar Rewards, the customer must sign the Sales Assistance Confirmation Form, acknowledging that this Participant's activities contributed to the customer's decision to acquire the software.

The Process to Claim Rewards for Premier and Advanced Participants:

1. Premier Participants work with their Business Partner Sales Manager (BPSM) or with their assigned account representative to agree upon the activities that are most appropriate in driving additional software sales. The Premier Participant uses the PartnerRewards web-based application at URL <http://www.ibm.com/partnerrewards> to estimate the BDF Earnings and submit the Planned Activity List (PAL). The assigned account representative and their manager must approve the PAL.

2. The Participant performs the marketing activities and files a claim.

Premier Participants file claims through the PartnerRewards URL at <http://www.ibm.com/partnerrewards>. Invoices must be kept on file for up to two years for audit purposes. Account status may be accessed online through the same URL.

Advanced Participants file claims in hard copy. To do this, the Participant accesses the claim form located on the IBM & Lotus Sales Assistance Program Website at <http://www.ibm.com/software/partners/salesassistance>. The participant must print and complete the form, attach copies of all invoices and mail or fax the full package to the BPSO In Atlanta for processing. Program statements will be mailed to Advanced participants on a regular basis. Account status can be determined by calling the IBM BPSO in Atlanta at **1-800-624-6875 x1394 or x2983**.

The goal for Soft Dollar Rewards funding is to help Participants pay for market development activities that will benefit their firm, IBM and Lotus. An IBM or Lotus representative will work with the Participant to develop approved activity plans, if the Business Partner is a Premier level Participant.

The hallmark of this program is trust and flexibility. Its goal is to increase IBM and Lotus Business Partner revenue. Any approach that accomplishes this goal will be considered.

Earnings Availability and Expiration - all Participants

The total amount of available Business Development Funds is related to the IBM workstation and Lotus software revenue that has been influenced. The funds are calculated as they are earned and will be reflected on the Participant's account statement. The funds earned in one month will normally be available for use within the next month.

All funds claimed during a calendar year will be accrued into the BDF Account for the IBM and Lotus Sales Assistance Program. These funds are available to claim until April 30th of the following calendar year. After April 30th, the funds expire. They can no longer be claimed and will be forfeited. Activities must be completed and claims submitted to the IBM BPSO in Atlanta no later than April 30th.

Premier Participants:

PartnerRewards Activity Planning

Overview

The process of administration of Soft Dollar Rewards is plan-driven for Premier Participants. A PartnerRewards Activity list (PAL) will be developed and agreed upon between IBM and Lotus and the Participant before any reimbursable activities are performed. The activities must fall under the spending categories described in this guide.

For Premier Participants using the Flexible Process, the approved spending categories are very broad. They include advertising, association memberships, communication services, customer satisfaction, education and certification, equipment support, marketing campaign services, marketing seminars, product sales support, promotional merchandise, sales incentives and trade shows.

The PartnerRewards Activity List (PAL) is the list of activities which the Premier Participant plans to perform within the approved spending categories. The PAL is also used to claim reimbursement for the Premier Participant's Soft Dollar Rewards.

Refinement of the jointly agreed list will be an ongoing activity between the Participant and the assigned software representative.

In this section we will describe the process that the Participant will follow in completing the PAL. Additional on-line education and help are available in the PartnerRewards application.

Earnings Estimate

The first step in completing the PAL is estimating the amount of Soft Dollar Rewards that you will earn during the current year. This figure is based upon the IBM revenue that the Participant will generate and the percentage of the revenue which will be accrued to the Business Development Fund.

Plan Activities

The next step for a Premier Participant is to plan the various activities that you will execute to increase sales of IBM and/or Lotus software products. The Premier Participant should work with his assigned IBM representative to complete the PAL. Typically, this will be the IBM Business Partner Sales Manager (BPSM).

The IBM representative and an IBM manager will approve the activities in the PAL on-line. Once approvals have been obtained, the Participant can execute the activities and claim reimbursement.

IBM has directed the IBM BPSO in Atlanta to provide administrative support for the program. The IBM BPSO in Atlanta participates in the review and processing of PALs and claims.

Guidelines for Activity Planning - Premier Participants

1. All activities must be planned at the detail level, providing specified analysis information prior to submitting a claim.
2. An activity must be approved by an IBM representative and an IBM manager. A Customer Support Representative (CSR) from the IBM BPSO in Atlanta must then confirm approval of the PAL before any spending activity is considered to be authorized by IBM.
3. Pre-approval is strongly recommended for all advertising and communication materials prior to spending funds. This is to ensure compliance to the IBM Business Partner Program Emblem Usage Guidelines and minimizes the risk of the claim being rejected in an audit. Recommended pre-approvals are detailed in the Spending Category section of this guide.
4. Once an activity has been electronically created, submitted to IBM and approved, it can be revised.

IBM approval must be obtained for the following revisions:

- Changes to an activity which increase the total spending for the activity by 20% or more of the previously approved spending amount
- Changes which significantly alter the objective of a planned activity.

Analysis Information for Premier Participants

Certain types of activities should not be considered approved for spending until they have been submitted with all the appropriate analysis information completed and approved by IBM.

The specific activities which require this level of detail prior to approval are:

<i>Spending Category</i>	<i>Activity Type</i>
Marketing Campaign Services	Multi-vendor campaigns
Education/Certification	Non-IBM or Lotus education
Marketing Seminars	Includes products from other vendors, or for non-business events
Customer Satisfaction	Use of Non-IBM approved Supplier
Sales Incentives	All Types
Custom Program	All Types

Premier Participants:

Soft Dollar Rewards Claiming Process

Filing Claims - Premier Participants

Once the Participant executes an approved activity from the PAL, it is reimbursable as long as it complies with the guidelines published in this document. Once an activity has been completed, the Participant will submit a claim for the actual costs which were incurred. The Participant will then be reimbursed for activities and expenses which have been claimed.

A claim is a request for reimbursement of qualifying expenses incurred in executing an approved activity in your PAL.

For Premier Participants using the Flexible Process, supporting documentation need not be submitted with the claim. It must be kept on file for up to two years and available for review by IBM/Lotus upon request.

In this section we will describe the process you will follow for claiming reimbursement. For those participating in the program, on-line education and help are available in the PartnerRewards application.

You can claim reimbursement from IBM by electronically submitting your claim to the IBM BPSO in Atlanta. Maintaining your PAL with current and complete analysis information will ensure that there is no delay when you are ready to receive your money.

You can claim reimbursement when:

- Appropriate PAL approvals are in place
- The analysis information for the activity has been included in the PAL
- The activity has occurred
- You have all supporting documentation on file

If the actual expense incurred exceeds the PAL planned amount by 20% or less, you may submit your claim normally. If the expense variance is greater than 20%, you must revise your PAL and obtain the appropriate IBM approvals.

Auditing Claims - Premier Participants

As mentioned previously, you are not required to submit any back-up to the program administrator when filing a claim; however, all claims are subject to audit by IBM. Keep all your documentation on file in case of audit. Documentation must be kept on file for the current and prior program years.

From time to time, a CSR will request that you submit back-up for a specific claim. The back-up should be faxed or mailed to the CSR at the IBM BPSO in Atlanta within ten business days of the request.

If the proper back-up is not available or is incomplete, IBM may choose to take one or more of the following actions:

- Request a larger sample of claims for review. This sample can include all claims for activities that occurred over the past twelve months. IBM may also request that the audit of a large sample be held on your premises.
- Reverse unsupported claim amounts. This will be done either by adjusting your Business Development Fund account balance, or by requesting repayment.
- Require you to submit full supporting documentation with all future claims prior to issuing payment.
- Terminate your membership in the PartnerRewards program.

For further details, refer to the "Audit Documentation Requirements Matrix".

Premier Participants:

Soft Dollar Rewards Statements

For Premier Participants, statements of the activity in the BDF account are viewable on-line. Statement detail includes additions to, and spending from, the BDF account. Premier Participants will also be able to request interim statements and account balance information.

Premier Participants:

PartnerRewards Application - First Time Users' Guide

To use the PartnerRewards System you will:

Step 1. Access the Application

- Create an Earnings Estimate
- Publish the Estimated Earnings

Step 2. Create an Activity

- Create an Unpublished Activity
- Publish an Activity (Optional)
- Submit an Activity

Step 3. Create a Claim

- Create an Unpublished Claim
- Publish a Claim (Optional)
- Submit a Claim

Step 4. Look at Account Status

- Review Account Status
- Review Account Statement

Following is an overview of how to use the PartnerRewards application:

Step 1: Access the Application

- 1) Start an Internet browser and enter the URL **www.ibm.com/partnerrewards**
- 2) On the "Welcome to PartnerRewards" screen, you will see two options:
 - a) "Register here first" - You have been pre-registered by IBM. No further registration is required.
 - b) "PartnerRewards" - This is your access point into the system.

While in this screen:

- Select the country
- Select language
- Click on *Continue*

- 3) On the next screen you will enter the PartnerRewards system by clicking on the PartnerRewards logo. When prompted to do so, enter your user name and password. Please note that the user id and password are case-sensitive and both must be entered exactly as supplied.

Create an Earnings Estimate

Estimated earnings are a forecast of the BDF dollars a Business Partner expects to earn in the IBM and Lotus Sales Assistance Program. To enter estimated earnings, follow these steps:

Creating the Unpublished Estimated Earnings:

- 1) Click on *Create Earnings Estimate* from the banner at the top of the screen. Hint: If you want to return to this screen later, click on the blue panel under *Activity - This Year*.
- 2) Enter the year of the estimated earnings you wish to create.
- 3) Enter the amount of the BDF you expect to earn for the IBM and Lotus Sales Assistance Program during the program year.
- 4) Enter any comments you wish to make about this estimated earning (e.g. "earnings estimated as of 05/17/00").

- 5) Click on *Save* in the upper left corner of the screen.
- 6) If a security alert appears, click on *Continue*.
- 7) You will receive a message entitled *Estimated Earnings Processed*, notifying you that your estimated earnings have been processed.
- 8) Click on *Go Back to Year View* to see your entry listed on the main screen.

Publish the Estimated Earnings

By publishing your estimate, you are allowing the BPSM to review the information on-line. You must publish your Earnings Estimate in order to proceed.

- 1) To publish an estimated earning, you must click on the reference field of the estimated earning you've created. This field will be underlined and in a different color (example: "NYA - Not Yet Assigned").
- 2) Click on *Publish*.
- 3) You will be notified that the *Document has now been Published*.
- 4) Click on *Continue*.

Step 2: Create an Activity

Create an Unpublished Activity

When an activity is created with a status of "unpublished", it can only be viewed by the Participant that created it.

- 1) In the PAL Year window, enter the Earnings Estimate by clicking on the reference field beside Estimated Earnings.
- 2) Select the activity from the list of eligible spending categories.
- 3) Fill in all of the details regarding this activity. Ensure that you enter all required fields by scrolling through the entire page.
- 4) Return to the upper left of the screen and click *Save*.
- 5) You will receive a message notifying you that the *Marketing Activity is Processed*.
- 6) Click on the *Go Back to Year View*.
- 7) You will be returned to the PAL/Activity screen.

Publish an Activity (Optional)

To allow the BPSM to view the activity while it is being developed (i.e., if BP still expects to make changes), the document must be "Published".

- 1) Enter the unpublished activity by clicking on the reference field beside the activity.
- 2) Click on *Publish*.
- 3) You will be taken to a screen notifying you that *Document has now been Published*.
- 4) Click on *Continue*.
- 5) You will be returned to the PAL/Activity screen.

Submit an Activity

In order for a BPSM to approve an activity, it must be "Submitted".

- 1) Enter the unpublished activity by clicking on the *reference field* beside the Activity.
- 2) Click on *Submit*.
- 3) You will be asked if you want this passed to the next individual for approval. Select *Yes* to proceed.
- 4) Click on *Continue*.
- 5) The status shows as *Awaiting Assignment* and you will be returned to the PAL/Activity screen. *Awaiting Assignment* means that the BPSO In Atlanta is now able to process the activity.

Step 3: Create a Claim

A claim cannot be created until an activity has been created and has passed through the approval cycle. To create a claim, follow the steps below:

Create an Unpublished Claim

- 1) Select the activity that you want to create a claim against by clicking on the reference field beside that Activity.
- 2) Click on *Claim* in the upper left corner of the screen.
- 3) Enter the claim details.

- 4) Return to the upper left of the screen and select *Save*.
- 5) Once completed, you will be returned to the PAL/Activity screen.

Publish/Submit a Claim

- 1) To publish or submit a claim, you must access that claim. To do so, select *Activities/Claims* from the Claim section of the banner.
- 2) You will see a list of all of your activities, and below each activity any claim that was created against it.
- 3) Enter the claim you wish to publish or submit by clicking on the claim description (e.g. Claim--Newspaper Advertising).
- 4) At the upper left of the screen, select either *Publish* or *Submit*.
- 5) You will be asked if you have all of the appropriate back-up documentation and if you would like to enter any comments.
- 6) You will be returned to a notification screen informing you that your claim was processed.
- 7) Select *Go Back to Main View*.
- 8) This will return you to the PAL/Activity screen.
- 9) Once a claim is submitted, it goes to the IBM BPSO in Atlanta for processing. No BPSM approval is needed on claims for Premier Business Partners. No direct notification that the claim was processed is made to Business Partners.

Step 4: View Account Status

Business Partners should look at the account status on the web to determine payment status. Status indicators are:

"Fully Payable" = Adequate funds were available.

"Partially Payable" = Some funds were available, but not enough for full payment.

"Pended" = No funds available.

Review Account Status:

On the Blue bar, click on *Account Status* to:

- a) find a short description of the account status;

- b) request a detailed statement. This request, once submitted, takes approximately two days to process. When complete, it will appear under the heading *Account Statement*.

Review Account Statement:

On the Blue bar, click on *Account Statement* for either:

- a) the monthly regular detailed statement, or
- b) the statement that was requested under account status several days earlier.

Premier Participants:

Soft Dollar Rewards - Overview of Spending Categories

The following are the spending categories for which you can plan and execute activities that are reimbursable through Soft Dollar Rewards. Some of these categories are available to Premier Participants only. Specific activities are available to Advanced Participants.

- Advertising
- Associations
- Communication Services
- Customer Satisfaction (Premier only)
- Education/Certification
- Equipment Support - Demo
- Marketing Campaign Services
- Marketing Seminars
- Product Sales Support (Premier only)
- Promotional Merchandise
- Sales Incentives (Premier only)
- Trade Shows (Premier only)

The following details will explain Spending Categories and activity types within each category.

“Activity Type” outlines the types of activities that can be performed within a Spending Category.

For example, within the Spending Category entitled Advertising, an activity type can be print, television, radio, etc.

“Qualifying Expenses” describes the type of expenditures for which you can claim reimbursement.

“Guidelines” provides prerequisite guidelines and recommendations that should be followed in order to ensure that your activity is approved and you will be reimbursed for your expenses.

“Documentation Required” describes the documentation you should keep on file to support your claim in the event of an audit.

Premier Participants: Advertising

Activity Type:

Creation and placement of advertising in support of IBM and Lotus software products, or the IBM and Lotus Business Partner relationship, such as:

- Billboards
- Catalogs
- Electronic, e.g. the Internet
- Print, e.g., newspaper, magazine, etc.
- Radio
- Television
- Yellow Pages
- Other

Qualifying Expenses for Premier Participants:

- Advertising creation, production and placement costs prorated by percent of IBM/Lotus content
- Advertisement placement

Ineligible Expenses Include:

- Costs for stationery, business cards and other business forms
- Talent
- Payment in kind (contra advertising)

Guidelines:

- Advertising must comply with the IBM Business Partner Program Emblem Usage Guidelines
- Refer to Guidelines for Advertising for details
- Refer to General Guidelines for details
- Pre-approval is strongly recommended prior to incurring expenses
- *Note: If advertising does not meet the IBM Guidelines, reimbursement will not occur.*

Premier Participants: Advertising (continued)

Documentation Required:

(Maintained at Premier Business Partner Site)

- Itemized third party invoices for ad creation, production and placement
- Published rate sheets and actual costs for in-house services (refer to General Guidelines for details)
- Billboard - photograph
- Catalogue - Copy of front cover indicating name and date of publication, along with full and complete inside pages
- Electronic - Screen print and Internet Address
- Print - Full and complete tear sheet indicating name and date of publication (may be kept by Partner or clipping service, based on geography preference)
- Broadcast - audio/visual script or tape and invoice/affidavit detailing the commercial code, dates aired and cost per spot.
- Refer to Audit Documentation Requirements Matrix

Premier Participants: Associations

Activity Type:

- All IBM or Lotus software sponsored associations such as Software Business Partner Program or the Lotus Business Partner Program, and associated Value Packages.

Qualifying Expenses for Premier Participants:

- Membership/program and event fees
- Annual Lotus Business Partner Program renewal fees
- Value Packages
- Additional Lotus CD Subscription
- Materials
- Business Partner travel and living expenses within the established guidelines

Guidelines:

- Refer to General Guidelines
- Refer to Guidelines for Travel and Living Expenses

Documentation Required:

(Maintained at Premier Business Partner Site)

- Itemized third party invoices or proof of payment for membership, program or event fees
- Copy of airline ticket and hotel receipts
- Refer to Audit Documentation Requirements Matrix

Premier Participants: Communication Services

Activity Type:

- Services for communication between IBM and/or Lotus and their Business Partners, and between a Business Partner and its prospects/customers.

Examples include:

- E-mail and Fax services
- Newsletters
- Mail distribution services
- Web site development and maintenance
- Intranet sites

Qualifying Expenses for Premier Participants:

- Creation and production costs
- Electronic access
- Document loading
- Postage cost
- Connectivity expenses through IBM Global Services to IBM for Business Partner related activities, such as accessing IBMLINK, BPOPS, or SMI (Software Marketing Information Database) through PartnerInfo.
- Attendance at Partnering with Partners Partnership meetings

Ineligible Expenses include:

- Services which support normal business operations

Guidelines:

- Communication must be in support of the IBM or Lotus Business Partner relationship
- Content must focus primarily on IBM or Lotus products and Business Partner Solutions
- Communication material must comply with the IBM Business Partner Program Emblem Usage Guidelines
- Refer to Guidelines for Advertising
- Refer to General Guidelines
- Refer to Guidelines for Travel and Living Expenses

Premier Participants: Communication Services (cont)

- Pre-approval by IBM is strongly recommended prior to incurring expenses
- *Note: If advertising does not meet the IBM Guidelines, reimbursement will not occur.*

Documentation Required: **(Maintained at Premier Business Partner Site)**

- Itemized third party invoices
- Published rate sheets and actual costs for in-house services (refer to General Guidelines for details)
- Copies of communication materials
- Refer to Audit Documentation Requirements Matrix

Premier Participants: Customer Satisfaction

Activity Type:

- Customer related survey service from IBM, Lotus or external vendor to measure customers' satisfaction with their IBM Business Partner.

Qualifying Expenses:

- Survey charges
- Quality/customer satisfaction consulting services

Ineligible Expenses include:

- Fees for hardware or software implementation
- Legal, tax consulting or accounting fees

Guidelines:

- A representative sample of your IBM or Lotus customers/resellers must be surveyed
- Refer to General Guidelines

Documentation Required: (Maintained at Premier Business Partner Site)

- Itemized third party invoices
- Copy of survey
- Refer to Audit Documentation Requirements Matrix

Premier Participants: Education/Certification

Activity Type:

- Education and training provided by IBM or Lotus or another vendor to develop IBM/Lotus product-related or business skills including:
 - IBM or Lotus product marketing
 - IBM or Lotus technical skills
 - Quality
 - Business management
 - ISO 9000 certification
 - Also includes the following:
 - Certification
 - Conference attendance, e.g. BPEC
 - Consultant services for your firm to develop skills

Qualifying Expenses for Premier Participants:

- Certification testing fees
- Enrollment fees
- Course development fees
- Business Partner travel and living expenses within established guidelines
- BPEC (up to \$1,400 per attendee)
- Lotusphere (up to \$1100 per attendee)
- E-Business University (up to \$1,200 per attendee)
- IBM or Lotus Software Product Education (variable) offered at IBM, Lotus, or LAEC
- IBM education card (up to \$4,995 per card)
- Business Partner Executive Institute (BPEI)
- Lotus/IBM Camp w/ one night stay (up to \$250 per attendee)
- Lotus/IBM Camp w/o one night stay (up to \$150 per attendee)
- Lotus CBT New Package (up to \$1,670 per package)
- Lotus CBT Technical Package (up to \$3,890 per package)
- Lotus CBT Total Package (up to \$5,560 per package)
- Sylvan and CATGlobal certification testing (up to \$150 per testing session)
- IBM Testing System - ITS - (up to \$150 per testing session)

Premier Participants: Education/Certification (cont)

- LotusVision Broadcast Video tapes (up to \$50 per video)
- LotusVision Subscriptions (up to \$350 per subscription)
- Multi-vendor T.E.N. Business TV station subscription for 12 months (up to \$6,600)
- Multi-vendor T.E.N. Business TB station subscription for 24 months (up to \$10,000)
- Business Development Seminars (2 hour Webinars) (up to \$70 per connect point). Examples are:
 - Partnering 101
 - How to turn your business into an e-business
 - How to put on a seminar
- E-business Advisory Class - 3 days (up to \$1,800 per attendee)

Guidelines:

- Refer to General Guidelines
- Refer to Guidelines for Travel and Living Expenses

Documentation Required:

(Maintained at Premier Business Partner Site)

- Itemized third party invoices for creation, production, tuition fees and testing fees
- Copy of course certificate
- Copy of airline ticket and hotel receipts
- Refer to Audit Documentation Requirements Matrix

Premier Participants: Equipment Support

Activity Type:

- Up to three demonstration IBM Thinkpads acquired by IBM and Lotus Business Partners during the current year

Qualifying Expenses for Premier Participants:

- Up to three IBM Thinkpads, including hardware and software
- Purchased, IBM-leased, or rental products
- Shipping, handling, installation charges and taxes

Guidelines:

- Products must be used for demonstration purposes in the software category for which the Business Partner is approved for fees or expense reimbursement
- Refer to General Guidelines

Documentation Required:

(Maintained at Premier Business Partner Site)

- Itemized third party invoices
- Copy of demo agreement or exhibit
- Refer to Audit Documentation Requirements Matrix

Premier Participants: Marketing Campaign Services

Activity Type:

- Marketing campaign services received from IBM or Lotus, or an external agency, to drive sales of IBM or Lotus Business Partner products and services in conjunction with IBM and Lotus products and services.

Qualifying Expenses for Premier Participants:

- Campaign design
- TeamPlayers expenses
- Internal and external production costs
- List of qualified prospects
- IBM and Lotus product literature
- Telemarketing/Internet marketing
- Mail/collateral materials such as:
 - Brochures
 - Spec sheets
 - Catalogs
 - Application briefs
 - Sales flyers
- Advertising in conjunction with marketing campaigns
- Business Partner travel and living expenses within the established guidelines.

Guidelines:

- Refer to Guidelines for Advertising
- Refer to General Guidelines
- Refer to Guidelines for Travel and Living Expenses
- Advertising must comply with the IBM Business Partner Program Emblem Usage Guidelines
- Pre-approval by IBM is strongly recommended prior to incurring expenses
- *Note: If advertising does not meet the IBM Guidelines, reimbursement will not occur.*

**Premier Participants: Marketing Campaign Services
(continued)**

**Documentation Required:
(Maintained at Premier Business Partner Site)**

- Itemized third party invoices
- Published rate sheets and actual costs for in-house services (refer to General Guidelines for details)
- Copies of deliverables, telemarketing scripts and any other items associated with the marketing campaign
- Refer to Audit Documentation Requirements Matrix

Premier Participants: Marketing Seminars

Activity Type:

- Seminars designed to help increase sales of IBM products and services in conjunction with IBM Business Partner products and services.

Qualifying Expenses for Premier Participants:

- Seminar in a Box
- Audiovisual equipment
- Catering
- Invitations
- IBM product literature
- Cost to generate a list of qualified prospects
- Collateral materials such as:
 - Brochures
 - Spec sheets
 - Catalogs
 - Application briefs
 - Sales flyers
- Room rentals
- Mailing expenses

Guidelines:

- If a seminar covers multiple vendors that compete with an IBM product or service, the IBM product or service must be the primary product marketed
- Communication materials must comply with the IBM Business Partner Program Emblem Usage Guidelines
- Refer to Guidelines for Advertising
- Refer to General Guidelines
- Pre-approval by IBM is strongly recommended prior to incurring expenses
- *Note: If advertising does not meet the IBM Guidelines, reimbursement will not occur.*

Documentation Required:

(Maintained at Premier Business Partner Site)

- Itemized third party invoices
- Published rate sheets and actual costs for in-house services (Refer to General Guidelines for details)

Premier Participants: Marketing Seminars (continued)

- Copies of collateral materials including seminar invitation and agenda
- Refer to Audit Documentation Requirements Matrix

Premier Participants: Product Sales Support

Activity Type:

- IBM marketing programs for the IBM and Lotus software brand. For Premier Participants, this includes briefing centers, marketing tools, newsletters and videos.

Qualifying Expenses for Premier Participants:

- Charges associated with the specific marketing program/activity
- Briefing Center fees
- Business Partner and customer travel and living expenses within the established guidelines

Guidelines:

- Customer expenses must be invoiced to, and paid by, the Business Partner
- Refer to General Guidelines
- Refer to Guidelines for Travel and Living Expenses

Documentation Required:

(Maintained at Premier Business Partner Site)

- Itemized third party invoices
- Briefing center invoices
- Copy of airline ticket and hotel receipts
- Refer to Audit Documentation Requirements Matrix

Premier Participants: Promotional Merchandise

Activity Type:

- Novelty items used as give-aways in trade shows, meetings, that promote the IBM or Lotus Business Partner firm and its relationship with IBM and/or Lotus.

Qualifying Expenses:

- Promotional items from any source, charges to include:
 - Cost of item
 - Custom imprinting
 - Freight
 - Set-up charges

Ineligible Expenses include:

- Expedite charges
- Items that contain competitive emblems, names, etc.

Guidelines:

- Merchandise must include the IBM or Lotus Business Partner emblem
- Advertising must comply with the IBM Business Partner Program Emblem Usage Guidelines
- Refer to Guidelines for Advertising
- Refer to General Guidelines
- Pre-approval by IBM is strongly recommended prior to incurring expenses
- *Note: If advertising does not meet the IBM Guidelines, reimbursement will not occur.*

Documentation Required:

(Maintained at Premier Business Partner Site)

- Itemized third party invoices
- Sample, photograph or photocopy of item showing the IBM Business Partner emblem and your company logo, or if the item was purchased through an IBM catalog, keep a copy of the cover page and item page on file.
- Refer to Audit Documentation Requirements Matrix

Premier Participants: Sales Incentives

Activity Type:

- Programs implemented by the IBM/Lotus Business Partner to encourage its employees to sell IBM or Lotus products and services.

Qualifying Expenses:

- Printed materials to announce or update the incentive program
- Associated promotional materials
- Merchandise, cash or travel costs used as awards in an incentive program

Ineligible Expenses include:

- Customer purchase incentives
- Tax costs

Guidelines:

- Program duration must have a specified time frame
- Employees must be assigned specific attainment goals
- IBM products and services must specifically be included in the attainment goals
- Incentive program participants must be employees of the IBM/Lotus Business Partner firm
- Printed materials must comply with the IBM Business Partner Program Emblem Usage Guidelines
- Refer to Guidelines for Advertising
- Pre-approval by IBM is strongly recommended prior to incurring expenses
- Refer to General Guidelines
- *Note: If advertising does not meet the IBM Guidelines, reimbursement will not occur.*

Premier Participants: Sales Incentives (continued)

Documentation Required: (Maintained at Premier Business Partner Site)

- Itemized third party invoices
- Published rate sheets and actual costs for in-house service (refer to General Guidelines for details)
- List of award winners, titles, awards earned
- Letter certifying that the awards have been received by the award winners
- Refer to Audit Documentation Requirements Matrix

Premier Participants: Trade Shows

Activity Type:

- Exhibiting IBM or Lotus software products at a trade show.

Qualifying Expenses:

- Booth space rental
- Audiovisual equipment
- Freight
- Furniture and signage
- Telephone lines
- Electricity
- Conference registration fees
- Booth design and construction
- Mail/collateral materials (creation/production) such as:
 - Brochures
 - Spec sheets
 - Catalogs
 - Application briefs
 - Sales flyers
- Business Partner Travel and Living expenses within the established guidelines

Ineligible Expenses include:

- Fees to attend if not exhibiting
- Cancellation fees

Guidelines:

- Backdrop guidelines:
 - Backdrop must clearly emphasize the Business Partner's name, not IBM or Lotus
 - Backdrop should contain the IBM Business Partner emblem
 - Use only the 8-bar IBM logo, not the 12-bar
- Printed material must comply with the IBM Business Partner Program Emblem Usage Guidelines
- Refer to Guidelines for Advertising
- Refer to General Guidelines
- Pre-approval by IBM is strongly recommended prior to incurring expenses
- *Note: If advertising does not meet the IBM Guidelines, reimbursement will not occur.*

Premier Participants: Trade Shows (continued)

Documentation Required (Maintained at Premier Business Partner Site)

- Itemized third party invoices
- Published rate sheets and actual costs for in-house services (refer to General Guidelines for details)
- Copies of the collateral materials
- Photograph of booth with the IBM Business Partner Emblem visible
- Exhibitor contracts
- Refer to Guidelines for Travel and Living Expenses
- Refer to Audit Documentation Requirements Matrix

Advanced Participants:

Soft Dollar Rewards Process

Activities for Advanced Participants

For Advanced Participants, there is a specific list of approved spending categories and activities available. The rationale for this approach is two-fold. First, there is no preplanning with an assigned representative, therefore, the spending categories are more specific. Second, the Advanced Participant can see a real benefit in reaching Premier status in the base Business Partner Programs.

Claiming for Advanced Participants

Once the Advanced Participant executes an approved activity, it is reimbursable as long as it complies with the guidelines published in this document. Once an activity is completed, the Participant submits a "confirmation" of the completed activity by submitting a claim for the actual costs which were incurred. The Advanced Participant is then reimbursed for the activities/expenses which were claimed. Claim forms can be found at the IBM and Lotus Sales Assistance Program URL at www.ibm.com/software/partners/salesassistance. Advanced Participants will submit their invoices along with their claim form.

Soft Dollar Rewards Statements

A statement will be mailed to Advanced Participants on a regular basis.

Overview of Spending Categories

The following are the spending categories for which Advanced Participants can plan and execute activities that are reimbursable through Soft Dollar Rewards. The following specific activities are available to Advanced Participants:

- Advertising
- Associations
- Communication Services
- Education/Certification
- Equipment Support - Demo
- Marketing Campaign Services
- Marketing Seminars
- Promotional Merchandise

The following details explain Spending Categories and activity types within each category.

“Activity Type” outlines the types of activities that can be performed within a Spending Category.

For example, within the Spending Category entitled Advertising, an activity type can be print, television, radio, etc.

“Qualifying Expenses” describes the type of expenditures for which you can claim reimbursement.

“Guidelines” provides prerequisite guidelines and recommendations that should be followed in order to ensure that your activity/claim is approved and you will be reimbursed for your expenses.

“Documentation Required” describes the documentation you should submit with your claim.

Advanced Participants: Advertising

Activity Type:

- Creation and placement of specific advertising in support of IBM/Lotus software products, or the IBM/Lotus Business Partner relationship.

Qualifying Expenses for Advanced Participants:

- Advertising in “Solutions Now” (variable cost depending upon size of ad up to \$12,600 per item)
- Advertising Banner on Showcase Home Page (up to \$640 per ad)
- Advertising Banner of Gold Home Page (up to \$2,400 per ad)
- Insertion on Gold CD only (up to \$1,600 per insertion)
- Product Showcase entry on gold Web Site (up to \$3,200 per entry)
- Insertion of material into Gold Mailing (up to \$4,800 per insertion)
- Placement of “e-business now” advertising per the templates (maximum of \$5,000 per ad)

Ineligible Expenses include:

- Costs for stationery, business cards and other business forms
- Talent
- Payment in kind (contra advertising)

Guidelines:

- Advertising must comply with the IBM Business Partner Program Emblem Usage Guidelines
 - Refer to Guidelines for Advertising
 - Refer to General Guidelines
 - Pre-approval by IBM/Lotus is strongly recommended prior to incurring expenses
- Note: If advertising does not meet the IBM Guidelines, reimbursement will not occur.*

Advanced Participants: Advertising (continued)

Documentation Required: **(To be submitted with claim)**

- Itemized third party invoices for ad creation, production and placement
- Published rate sheets and actual costs for in-house services (refer to General Guidelines for details)
- Catalog - Copy of front cover indicating name and date of publication, along with full and complete inside pages
- Electronic - Screen print and Internet Address
- Print - Full and complete tear sheet indicating name and date of publication (may be kept by Partner or clipping service, based on geography preference)
- Broadcast - audiovisual script or tape and invoice/affidavit detailing the commercial code, dates aired, and cost per spot.
- Refer to Audit Documentation Requirements Matrix

Advanced Participants: Associations

Activity Type:

- All IBM software sponsored associations such as Software Business Partner Program or the Lotus Business Partner Program and associated Value Packages.

Qualifying Expenses for Advanced Participants:

- Annual Lotus Business Partner Program renewal fees (\$895 or \$1,295 per membership)
- Value Packages (up to \$1,295 per value package)
- Additional Lotus CD Subscription (up to \$495 per subscription)

Documentation Required:

(To be submitted with claim)

- Itemized third party invoices or proof of payment for membership, program, or event fees
- Refer to General Guidelines
- Refer to Audit Requirements Matrix

Advanced Participants: Communication Services

Activity Type:

- Services for communication between IBM and Lotus and their Business Partners

Qualifying Expenses for Advanced Participants:

- Connectivity to IBM through Global Services (variable cost) for access to Software Marketing Information Database (SMI) through PartnerInfo on the web, access to BPOPS, access to IBMLINK

Ineligible Expenses include:

- Services which support normal business operations

Guidelines:

- Communication must be in support of the IBM Business Partner relationship
- Content must focus primarily on IBM products and IBM Business Partner Solutions
- Communication material must comply with the IBM Business Partner Program Emblem Usage Guidelines
- Refer to Guidelines for Advertising
- Refer to General Guidelines
- Pre-approval by IBM is strongly recommended prior to incurring expenses

Note: If advertising does not meet the IBM Guidelines, reimbursement will not occur.

Documentation Required:

(To be submitted with claim)

- Itemized third party invoices
- Published rate sheets and actual costs for in-house service (refer to General Guidelines for details)
- Copies of communication materials
- Refer to Audit Documentation Requirements Matrix

Advanced Participants: Education/Certification

Activity Type:

- Education and training provided by IBM, Lotus or another vendor to develop IBM or Lotus product marketing skills.
- Also includes the following:
 - Certification
 - Conference attendance, e.g., BPEC

Qualifying Expenses for Advanced Participants:

- BPEC (up to \$1,400 per attendee)
- Lotusphere (up to \$1,100 per attendee)
- E-Business University (up to \$1,200 per attendee)
- IBM or Lotus Software Product Education (variable) offered at IBM, Lotus or a LAEC
- IBM education card (up to \$4,995 per card)
- Business Partner Executive Institute (BPEI)
- Lotus/IBM Camp w/ one night stay (up to \$250 per attendee)
- Lotus/IBM Camp w/o one night stay (up to \$150 per attendee)
- Lotus CBT New Package (up to \$1,670 per package)
- Lotus CBT Technical Package (up to \$3,890 per package)
- Lotus CBT Total Package (up to \$5,560 per package)
- Sylvan and CATGlobal certification testing (up to \$150 per testing session)
- IBM Testing System - ITS - (up to \$150 per testing session)
- LotusVision Broadcast Video tapes (up to \$50 per video)
- LotusVision Subscriptions (up to \$350 per subscription)
- Multi-vendor T.E.N. Business TV station subscription for 12 months (up to \$6,600)
- Multi-vendor T.E.N. Business TB station subscription for 24 months (up to \$10,000)
- Business Development Seminars (2 hour Webinars) (up to \$70 per connect point). Examples are:

Advanced Participants: Education/Certification (cont)

- Partnering 101
- How to turn your business into an e-business
- How to put on a seminar
- E-business Advisory Class - 3 days (up to \$1,800 per attendee)
- Business Partner Travel and Living expenses within established guidelines

Guidelines:

- Refer to General Guidelines
- Refer to Guidelines for Travel and Living Expenses

Documentation Required:

(To be submitted with claim)

- Itemized third party invoices for creation, production, tuition fees and testing fees
- Copy of course certificate
- Copy of airline ticket and hotel receipts
- Refer to Audit Documentation Requirements Matrix

Advanced Participants: Equipment Support

Activity Type:

- Up to three demonstration IBM Thinkpads purchased during the current plan year. All IBM Thinkpads must be claimed at the same time.

Qualifying Expenses for Advanced Participants:

- Up to three Thinkpads, used for demonstration purposes only, which have been purchased during the plan year. All three IBM Thinkpads must be claimed at the same time.
- Shipping, handling, installation charges and taxes

Ineligible Expenses include:

- Accessories
- Non-IBM features and machines
- Late fees
- Charges for lost assets
- Equipment for resale
- Equipment for support of normal business operations

Guidelines:

- Evaluation programs designated in the applicable IBM Products must be acquired through IBM Development or Business Partner Agreement Exhibits
- Refer to General Guidelines

Documentation Required:

(To be submitted with claim)

- Itemized third party invoices
- Copy of demo agreement or exhibit
- Refer to Audit Documentation Requirements Matrix

Advanced Participants: Marketing Campaign Services

Activity Type:

- Marketing campaign services received from IBM or an external agency to drive sales of IBM Business Partner products and services in conjunction with IBM products and services.

Qualifying Expenses for Advanced Participants:

- TeamPlayers, not including travel and living expenses (up to \$2.50 per piece)

Guidelines:

- Refer to Guidelines for Advertising
- Refer to General Guidelines
- Advertising must comply with the IBM Business Partner Program Emblem Usage Guidelines
- Pre-approval by IBM is strongly recommended prior to incurring expenses
- *Note: If advertising does not meet the IBM Guidelines, reimbursement will not occur.*

Documentation Required:

(To be submitted with claim)

- Itemized third party invoices
- Published rate sheets and actual costs for in-house services (refer to General Guidelines for details)
- Copies of deliverables, telemarketing scripts and any other items associated with the marketing campaign
- Refer to Audit Documentation Requirements Matrix

Advanced Participants: Marketing Seminars

Activity Type:

- Seminars designed to help increase sales of IBM products and services in conjunction with IBM Business Partner products and services.

Qualifying Expenses for Advanced Participants:

- Invitations
- Seminars
- Audiovisual equipment
- Seminar in a Box Seminars ONLY (up to \$9,600 per seminar)
- Catering
- IBM product literature
- Cost to generate a list of qualified prospects
- Collateral materials such as:
 - Brochures
 - Spec sheets
 - Catalogs
 - Application briefs
 - Sales flyers
- Room rentals
- Mailing expenses

Ineligible expenses include:

- End user meetings
- Entertainment
- Sporting events

Guidelines:

- If a seminar covers multiple vendors that compete with an IBM product or service, the IBM product or service must be the primary product marketed
- Communication material must comply with the IBM Business Partner Program Emblem Usage Guidelines
- Refer to Guidelines for Advertising
- Refer to General Guidelines

Advanced Participants: Marketing Seminars (continued)

- Pre-approval by IBM is strongly recommended prior to incurring expenses

Note: If advertising does not meet the IBM Guidelines, reimbursement will not occur.

Documentation Required:

(To be submitted with claim)

- Itemized third party invoices
- Published rate sheets and actual costs for in-house services (refer to General Guidelines for details)
- Copies of collateral materials including seminar invitation and agenda
- Refer to Audit Documentation Requirements Matrix

Advanced Participants: Promotional Merchandise

Activity Type:

- Novelty items used as give-aways in trade shows or meetings that promote the IBM or Lotus Business Partner firm and its relationship with IBM and/or Lotus.

Qualifying Expenses:

- Promotional items from any source, charges to include:
 - Cost of item
 - Custom imprinting
 - Freight
 - Set-up charges

Ineligible Expenses include:

- Expedite charges
- Items that contain competitive emblems, names etc.

Guidelines:

- Merchandise must include the IBM or Lotus Business Partner emblem
- Advertising must comply with the IBM Business Partner Program Emblem Usage Guidelines
- Refer to Guidelines for Advertising
- Refer to General Guidelines
- Pre-approval by IBM is strongly recommended prior to incurring expenses
- *Note: If advertising does not meet the IBM Guidelines, reimbursement will not occur.*

Documentation Required:

(To be submitted with claim)

- Itemized third party invoices
- Sample, photograph or photocopy of item showing the IBM Business Partner emblem and your company logo, or if the item was purchased through an IBM catalog, keep a copy of the cover page and item page on file.
- Refer to Audit Documentation Requirements Matrix

General Guidelines

The preceding pages of this guide contain descriptions of each activity and the guidelines regarding the eligible expenses and audit documentation requirements. **The following guidelines are common to all PartnerRewards activities and apply regardless, whether or not they are restated in individual activity descriptions.**

- 1) For Premier firms using the Flexible Process with a formal, ongoing in-house production department for advertising, collateral materials or marketing campaign services, in-house production costs for creation and/or production may be reimbursed. For reimbursement:
 - State the total creation/production costs on your reimbursement form
 - Include with your documentation a list of actual itemized costs and a published rate sheet (set rates for pages or portions of pages, rather than for hours worked)
 - IBM reserves the right to verify in-house production capabilities and published rates. If published rates are found to be substantially higher than third-party rates, reimbursement will be based on third-party rates.
- 2) If the actual expense incurred exceeds the PAL planned amount by 20%, you may submit your claim normally. If the expense variance is greater than 20%, you must revise your PAL and obtain the appropriate IBM approvals.
- 3) For activities involving multiple vendors, such as advertising, marketing campaigns, business shows etc., which include IBM, Lotus, and other vendor products, reimbursement will be prorated based on the percentage of IBM and Lotus content (there is no minimum percentage).
- 4) Qualifying Travel and Living expenses associated with spending categories are eligible for reimbursement. Receipts are to be kept on file. Refer to Guidelines for Travel and Living Expenses.
- 5) With the exception of travel and per diem expenses for end-user clients visiting an IBM or Lotus Briefing Center accompanied by Business Partner employees, only expenses for Business Partner employees are eligible for reimbursement.

- 6) Employee salaries are not eligible for reimbursement.
- 7) Competitive content is not eligible for reimbursement.
- 8) Penalty charges for cancellations/no shows/changes are not eligible for reimbursement.
- 9) Other ineligible expenses include but are not limited to:
 - Recognition meetings/events
 - Entertainment (golf outings, cruises, etc., including sponsorship fees for such events)
 - Charges for expedited order processing and shipping
- 10) In specific Geographies, the recoverable VAT(GST) portion of expenses incurred is not reimbursable and should not be included in the amount of your claim.
- 11) All activities must be focused on demand generation and closure of sales for IBM and Lotus products and services.

Audit Documentation Requirements Matrix

Activity Type	Itemized Third Party Invoices	Proof Payment	Tear Sheet/ Complete Sample	Photographs	Airline Ticket	Itemized Hotel Bills	Copies of Agenda & Invitation	Published Rate Sheet & actual costs for in-house services	Other
Advertising									
-Billboards	X			X				X	
-Catalogues	X		X					X	
-Electronic	X		X					X	
-Print	X		X					X	
-Radio	X		X					X	Broadcast affidavit
-Television	X		X					X	Broadcast affidavit
-Yellow Pages	X		X					X	
Associations	X	X			X	X			
Education/ Certification	X				X	X			Copy of course certificate
Marketing Campaign Services	X		X					X	Copies of deliverables, scripts and such associated with the campaign
Marketing Seminars	X						X	X	
Product Support	X				X	X			Briefing center invoices
Promotional Merchandise	X		X	X					
Sales Incentives	X							X	List of award winners, titles & awards earned. Letter certifying that the awards have been received by the award winners
Trade Shows	X		X	X				X	Exhibitor Contracts
Communication Services	X		X					X	
Custom Programs	X	X	X	X	X	X	X	X	
IBM Launch Fund	X	X	X	X	X	X	X	X	
Customer Satisfaction	X		X						
Equipment Support	X								Copy of demo agreement or exhibit

Business Development Funds Expiration

BDF Rewards are available on a calendar year basis. Funds are available to electronically claim until April 30th of the next calendar year. After April 30th the funds expire and can no longer be claimed. Activities must be completed and claims submitted to the IBM BPSO in Atlanta no later than April 30th.

At the start of a new program year, the Premier Participant will create a new PAL for the current year, but he can still access the PAL from the prior program year.

This means that for the first five months of the year, the Premier Participant will be maintaining two distinct PALs until such time as the prior year funds have been depleted or expired.

On May 1st, any funds remaining in the prior year account will be forfeited. The Premier Participant will no longer have use of these funds for reimbursement of activities.

Guidelines for Travel and Living Expenses

Guidelines and eligible expenses include:

- Up to \$250.00 US per day for hotel, meals and miscellaneous expenses.
- Round trip, coach class air fare or mileage up to 30 cents (or other currency) per kilometer/mile for up to 251 kilometers and 9 cents per kilometer for over 251 kilometers.

Ineligible expenses include, but are not limited to:

- Entertainment
- Cancellation charges
- For Distributors: reseller expenses that are eligible for reimbursement by the reseller

Required travel and living expense receipts include:

- Copy of the airline ticket
- Copies of hotel receipts
- Copies of other receipts for expenses over \$75

Travel and living expenses for an event must be submitted at the same time as the request for reimbursement of tuition/registration and any other eligible fees. Travel and living expenses will not be reimbursed if submitted as a separate reimbursement request.

Guidelines For Advertising

IBM Prepared:

All IBM prepared advertising materials automatically qualify when used without change except for the addition of the IBM Business Partner's name and address plus the appropriate emblem as detailed under "IBM Logo and Trademark Guidelines" below.

Business Partner Prepared:

Advertising claims must be accurate, complete and verifiable. There must be nothing misleading, exaggerated or disparaging to a competitor in the manner in which IBM, its products or services are described in the advertisement. Advertising claims will not be verified by IBM for accuracy and completeness. The IBM Business Partner will be liable for, and agrees to indemnify IBM from and against, any and all claims and leases resulting from advertising including, without limitations, any claims based on misleading, untruthful or exaggerated claims or disparaging comments.

Where product warranty claims are made, copy and disclosure must be in accordance with the IBM warranty.

Advertising must not be in violation of any Federal or Provincial law, municipal or administrative agency regulation.

IBM is the company name, not the product. It must always be followed by the product name; for example, IBM ThinkPad, IBM RS/6000.

IBM computers and related equipment must be mentioned at least once in a 10- or 15-second commercial, twice in a 30-second commercial and three times in a 60-second commercial. IBM content in multi-vendor advertising must represent at least 25% of the ad space.

All advertising, except Yellow Pages, must contain at least one benefit statement for the IBM products, which provides the consumer with a reason to buy or seek the services of the IBM Business Partner; for example, IBM quality and reliability and/or technical advances of IBM products.

IBM Logo And Trademark Guidelines

All advertising must meet IBM guidelines concerning content, logos and trademarks. Complete guidelines are available in the IBM Business Partner Program Emblem Usage Guideline brochure (G580-003) available in the IBM Business Partner library or IBM Link and through the IBM Fulfillment Center at (800) 442-6548.

Requirements include, but are not limited to the following:

- Approved IBM Business Partner Advertising must contain the IBM Business Partner emblem including channel designation.
- The IBM Business Partner designation must be mentioned in broadcast copy and the IBM Business Partner designation or emblem must be included in television commercials.
- The IBM eight-bar/shutter logo design must not be included in any advertising.
- It is the IBM Business Partner's responsibility to ensure that any use of a business name or logo does not constitute a trademark violation or copyright infringement.
- A trademark notice should take the general form:
 - "XXX is a trademark owned by International Business Machines Corp."
 - If it is known that the referenced trademark is a registered trademark in the given country, then insert the word "registered".
 - Where more than one trademark is referenced and these include both registered and unregistered trademarks, the notice should read "XXX and YYY are registered trademarks or trademarks of International Business Machines Corp."

Terms and Conditions for Business Development Funds for the IBM and Lotus Sales Assistance Program

Business Development Funds for the IBM and Lotus Sales Assistance Program (the "Fund") is described in the *User Guide* for Business Development Funds for the IBM and Lotus Sales Assistance Program (the *User Guide*). The Fund is available to eligible IBM Business Partners, as determined by IBM. Participation in the Fund is governed under the Terms and Conditions set forth in A) these Terms and Conditions, B) the IBM agreement(s) establishing the Business Partner relationship with IBM (for example, IBM Business Partner Agreement, the Sales Assistance Program Exhibit, and the Sales Assistance Program Profile), and C) the *User Guide* (collectively, the "Terms and Conditions").

In the event of a conflict between the Terms and Conditions set forth in the *User Guide* and any IBM agreement(s) governing the Business Partner relationship, the Terms and Conditions set forth in the *User Guide* shall take precedence over those in such IBM agreement(s), as they pertain to participation in the Fund.

Participation in the Fund is voluntary and is not required by IBM.

Participation in the Fund (indicated by the first submission of a PartnerRewards Activity List (PAL) to IBM or first submission of a Streamlined Claim Form, described in the *User Guide*) shall signify acceptance of the Terms and Conditions.

The Terms and Conditions with respect to the Fund are subject to change or withdrawal by IBM at any time without prior notice, and any such changes or withdrawals may apply retroactively at IBM's sole discretion.

The term "Vendor" shall mean an independent contractor, including a subcontractor retained by IBM that is assisting IBM in the administration or execution of the Fund. IBM's, Lotus', and the Vendor's entire liability and your exclusive remedy for damages related to the Fund will be the recovery of actual direct damages to the limits set forth as follows.

IBM's, Lotus' and the Vendor's collective maximum liability for actual direct damages from any cause whatsoever will be limited to \$25,000. This limitation will apply, regardless of the form of action, whether in contract or in tort, including negligence. This limitation will not apply to claims by you for bodily injury or damage to real property or tangible personal property for which IBM, Lotus and the Vendor are legally liable.

In no event will IBM, Lotus or the Vendor be liable for any special, incidental or indirect damages (including lost profits or savings), even if IBM, Lotus or the Vendor has been advised of the possibility of such damages. In no event will IBM, Lotus or the Vendor be liable for any damages caused by your failure to perform your responsibilities, or for any damages claimed by you based on a third party claim. You agree not to make IBM, Lotus or the Vendor a party to any claim between you and any third party.

If the IBM and Lotus agreement(s), governing your Business Partner relationship, are subsequently terminated or not renewed, you will no longer be eligible to participate in the Fund upon the effective date of the termination or non-renewal (whichever the case may be). Upon the effective date of the termination or non-renewal, you will have 90 days to apply for reimbursement of eligible expenses in accordance with the *User Guide*. Such expenses must have been incurred prior to the effective date of the termination or non-renewal.

Business Partners changing relationships will have 90 days to apply for reimbursement of eligible expenses. Any benefit earned under the old relationship cannot be merged into the account established under the new Business Partner relationship.

IBM reserves the right to reject a transaction or to disqualify you from participation in the Fund for noncompliance with these Terms and Conditions. Additionally, IBM reserves the right to recover amounts paid to you, or otherwise due IBM, as a result of fraudulent or duplicative claims, an IBM mistake (including overpayment), or your noncompliance with the terms and conditions, by offsetting such amounts against your Fund balance, as well as other credits or amounts owed or available to you, in addition to any other rights or remedies IBM may have at law or equity.

You agree that IBM shall have the right to audit your business records for purposes of determining your compliance with the Terms and Conditions, and you agree to provide IBM with whatever assistance IBM may require of you in performing such audits. IBM may suspend your eligibility to participate in the Fund, pending the completion of such audits.

You agree that the IBM Thinkpads for which you claim reimbursement will be used for IBM and/or Lotus product demonstration purposes, and that by filing of a claim for expense reimbursement, you are certifying that these machines are being used for IBM and/or Lotus demonstration purposes.

If it is determined that you have breached these Terms and Conditions, IBM may, in addition to any other rights or remedies available to IBM at law or equity, terminate your eligibility to participate in the Fund. In addition, and at IBM's sole discretion, such a breach shall also serve as grounds for IBM or Lotus to terminate, for cause, the IBM or Lotus agreement(s) establishing your IBM or Lotus Business Partner relationship.

Failure by IBM or Lotus to insist upon strict performance or to exercise a right when entitled, does not prevent IBM or Lotus from doing so at a later time, either in relation to that breach or default or any subsequent breaches or defaults.

Credits or amounts available to you pursuant to the Fund, are the sole property of IBM until such are redeemed for authorized and approved services and materials as described in the *User Guide*. As such, the credits or amounts available to you pursuant to the Fund, are not, and should not be considered as, an asset of yours, and therefore, cannot be bartered, traded, sold, and so forth.

Credits or amounts available to you pursuant to the Fund:

1. May only be used in accordance with the Terms and Conditions.
2. May only be used in support of the relationship for which you earned such credits or amounts.
3. Cannot be used by you to reduce your accounts payable or any other indebtedness to IBM, Lotus, or for the benefit of any other firm.

It is your responsibility to ensure that any use of a business name or logo does not violate trademarks or infringe copyrights.

IBM reserves the right to maintain the originals of any paperwork submitted. Claims must be submitted within 90 days of incurring the expense, for any expenses incurred after July 1, 1999. For expenses incurred on or between January 1, 1999 and June 30, 1999, expenses claimed may be submitted until September 30, 1999.

If ownership of your business changes, IBM reserves the right to cancel or amend your relationship with respect to the Fund, as IBM deems necessary.

The Terms and Conditions are the complete and exclusive statements of the agreement between you and IBM (and/or Lotus) relating to your participation in the Fund, and as such, supersede all proposals or other prior agreements, oral or written, and all other communications relating to your participation in the Fund.

The Terms and Conditions are governed by the law of the country or state which governs your Business Partner Agreement.

Who to Call For Assistance?

For additional assistance regarding Business Development Funds for the IBM and Lotus Sales Assistance Program, please call the IBM BPSO in Atlanta at **1-800-624-6875 x1394 or x2983** between the hours of 9:00 a.m. and 4:00 p.m. Eastern Standard Time.

For information regarding the IBM and Lotus Sales Assistance Program, please access the web site at **www.ibm.com/software/partners/salesassistance** or contact your Software Business Development Manager.