

BUSINESS PARTNER ANNOUNCEMENT MEMO



Promotion Title : System x Fabulous February

Promotion No: PB07-034

Eligibility

Country : India
Business Partner Type : All Tier 2 Resellers who purchase through contracted IBM System x Distributors in Full Duty (Zero Duty Purchases Excluded)
Qualifying Products : x100 (8486i1S, 8486i2S, 8486i3S), x206m (8485iJS, 8485i2S), x3200 (4362i2S) x226 (8648iAS), x3400 (7973i1S, 7975i1S, 7975i2S), x3650 (7979i2S), x346 (8840i1A)

The Offer

For a limited time only, contracted IBM System x distributors with a signed Business Partner Agreement will be eligible to offer their Tier 2 resellers the Announced Promotional Prices (Please refer to Appendix 1 for the System x Promotion Docket for the prices) and the following promotional offers at no charge during the promotion period from 05 February to 26 February 2007.

Offer 1

Criteria: On the purchase of specified server from 05 to 26 February 2007	Promotional Offer On Buying One Server at no charge	Promotional Offer On Buying FIVE Servers at no charge
8486i3S, 8485iJS, 8648iAS, 7973i1S, 4362i2S	17" CRT monitor or cash rebate of 5000 INR	Not Applicable
7975i2S	One additional memory (39M5782)	Not Applicable
7975i1S	One additional memory (39M5782)	One similar server
7979i2S	24x7 support* + 73 GB HDD	24x7 support* with every server + One similar server

Offer 2

Criteria: On the purchase of specified server from 05 to 26 February 2007	Promotional offer at no charge
2 nos of 8840i1A	One similar server
4 nos of 8486i1S, 8486i2S, 8485i2S	One similar server

Promotion Specifications

- For offer on 7979i2S, 24x7 support is applicable only for those cities and locations where the service is offered by IBM. For those locations where the service is not offered by IBM, the business partner would be eligible for 73 GB HDD or free server only – based on eligibility. To be eligible for the support the distributor needs to capture the serial number of the servers billed and send the same to Claims Team to register for the support.
- Offers on purchase of more than one server would be applicable only if all the servers are billed from a single distributor in a single invoice only.
- To be eligible, the distributor cannot debundle the no charge promotional items to offer an equivalent cash rebate to the Tier 2 resellers.
- Distributor to provide to IBM all relevant supporting documents of actual payout to Tier 2 Business Partners (copies of checks or any proof of payments) upon request by IBM.
- IBM has the right to terminate the participation of any distributor in this program if the distributor fails to comply with the above process. IBM reserves the right to recover the said rebates if proof of payment to Tier 2 Business Partners are not furnished within the stipulated time following IBM's request.

Administrative Information

- Follow normal ordering procedures for this promotion.
- Business Partner to submit claim form (attached as Appendix 2) together with the supporting documents listed below by 20 March 2007 to the BP Disbursement Team, IBM India Private Limited. Level 3, Subramanya Arcade -1, No. 12 Bannerghatta Road, Bangalore 560034. Phone:

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91+80+22063000. Please ensure the documents clearly state the date, amount and product model of the purchase made. (Refer to Claims Guidelines in Appendix 3)

Supporting documents required

- Distributor Sales Report (only invoices reported in DSR will be considered as complete transactions.)
- Delivery challan/Invoice from distributor to Tier 2 resellers with the claim for the corresponding promotional offer along with the billed servers.
- IBM will reimburse an equivalent cash amount, as stated in the administrative process, for the no charge promotional items, when all the claims are verified & approved by IBM.
- See Appendix 3 for Guidelines on Claims.

Promotion Period

Start date : 05 Feb 07
End date : 26 Feb 07
Last order date : NA
Last delivery date : NA

Financing

Financing is not available.

Promotion Enquiries

Please direct questions pertaining to this promotion to Rajat Gossain at rgossain@in.ibm.com.

Terms and Conditions

The terms hereunder are in effect for the duration of the promotion only.

- This promotion cannot be combined with other programs or promotions, nor with IVO discounts and special bids. (except business partner loyalty programs – if and when applicable)
- IBM Business Partners compliance with the terms and conditions will be reviewed periodically. IBM Business Partners may be required to provide supporting documents (e.g. bills, invoices etc.) to ensure the terms and conditions of this promotion and associated special bids have been fulfilled.
- If the accounts receivable by IBM from the IBM Business Partners are not current (i.e. the accounts receivable have been outstanding for more than the credit period agreed with IBM), IBM may withhold incentive payment until such time as the accounts receivable are made current.
- If IBM determines that there has been any discrepancy in reporting, IBM may immediately terminate the promotion with the IBM Business Partner. If IBM has paid out any incentive or given any discount pursuant to such discrepancy, the IBM Business Partner shall return all or part of such payout, as determined by IBM.
- The IBM Business Partners will not offer or make payments or gifts (monetary or otherwise) to anyone for the purpose of wrongfully influencing decisions in favor of IBM, directly or indirectly.
- IBM may terminate the promotion with an IBM Business Partner immediately in case of a breach of any of the terms of the promotion or when IBM reasonably believes such a breach has occurred or is likely to occur.
- IBM reserves the right to modify or withdraw the promotion at its sole discretion without notice.
- All decisions by IBM are final.
- Where VAT, GST, Sales or other taxes may be applicable, how such will be handled is described in the Pricing and/or Administrative section of this promotion.
- Where withholding tax is applicable, IBM will deduct accordingly before making payment.
- For India: IBM and IBM BP's agree to comply with all withholding tax obligations, as applicable. However, the withholding tax component would be borne by the respective payees for all transactions to which withholding tax is applicable.
- For India: Indirect taxes as applicable, including but not limited to service tax, value added tax etc would be leviable on the consideration.
- The terms set out above and the IBM Business Partner Agreement are the complete agreement and replace any prior oral or written communications between IBM and the IBM Business Partners relating to this subject. If the IBM Business Partner Agreement is terminated or otherwise expires, the promotion shall terminate. Any terms set out herein (and in the IBM Business Partner Agreement) which by their nature extend beyond the termination remain in effect until fulfilled, and apply to respective successors and assignees of IBM and the IBM Business Partners. If there is a conflict

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between the terms herein and the IBM Business Partner Agreement, the terms set out herein shall prevail.

Documents

- Appended annexure of promotion prices, claim form and claim guidelines

APPENDIX 1: Annexure of Promotion Prices

Price Validity : February 2007

Part Nos.	Unit Buy Prices (Rs.)
8486i1S	43593
8486i2S	45257
8486i3S	39100
8485I2S	46714
8648IAS	88500
7973i1S	80100
7975i1S	120100
7975i2S	131610
7979i2S	140500
8485IJS	49900
4362i2S	74500
8840i1A	155020

Note :

1. The above prices are suggested Tier 1/ Tier 2 reseller buying prices from distributor .
2. These prices include 2% CST. Other local taxes and levies are extra as applicable

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APPENDIX 3 - Claims Guidelines

Promotion Title : System x Fabulous February

Promotion No: PB07-034

Rebate Entitlement Disbursement Process

Step 1: Tier 1 distributor

- a. Distributor bill out the servers to their Tier 2 Business Partners (Resellers) along with the applicable promotional items only as per the eligibility. Distributors submit the claim form (Appendix 2) by 20 March 07 together with the following documents to the Claims Department at IBM India Pvt. Ltd, Level 3 Subramanya Arcade 1, No 12 Bannerghata Road, Bangalore 560034. Any late submission will not be entertained. The partner should contact the BPRM to obtain exception approval if required, before submitting the claim.

Supporting documents required:

1. Distributor Sales Report and only invoices reported in DSR will be considered as complete transactions.
2. Delivery challan/Invoices from distributor to Tier 2 reseller with the claim for the promotional items offered along with the servers to IBM. The Distributor can claim for ONLY a cash reimbursement in lieu of the promotional items billed. The applicable amount (all inclusive) as per eligibility will be as follows:

Part No	Applicable claim amount INR
39M5782	17000
17" CRT	5500
7975i1S	115500
7979i2S	135000
8486i1S	41900
8486i2S	43500
8485i2S	44900
8840i1A	149000
40K1039	11500

- b. Distributor cannot debundle the promotional items and offer an equivalent cash rebate to the Tier 2 partner, in order to be eligible for the claim.
- c. Distributor may purchase the applicable promotional items or use from their stocks and then claim back from IBM. For purchases, distributors must provide the invoice no. whereas for those used from their stocks, distributor to show via the DSR report. Also the distributor must provide the invoices/delivery challans sold to reseller which clearly states the product eligible and the units sold.
- d. For offer on 7979i2S, 24x7 is applicable only in those cities and locations where the service is offered by IBM. In all other cities and locations the business partner would be eligible for the 73 GB HDD or free server only – based on eligibility.
- e. For offer on 7979i2S, for 24x7 support, the distributor needs to capture the serial number of the server (7979i2S) billed and send the same to the Claims team. The Claims team would in turn send the same after due verification to ITS for registration.
- f. For offers on purchase of more than one server, all servers need to be billed in a single invoice from one distributor only.