



IBM Software Advantage for Workstations Lotus Passport Incentive

This offering is designed to provide Lotus Passport customers, who are currently acquiring product at a SVP level of C or better, an incentive to acquire product under an IBM Software Advantage for Workstations Commitment Agreement. This incentive will also be extended to IBM customers who are currently acquiring product under an Advantage Agreement. This offering will provide an additional 5% discount when a Passport customer qualifies for an IBM Software Advantage for Workstations Agreement. The additional 5% discount will apply toward Advantage Agreements with earned discounts of 20, 25, 30, or 35%, such that the Agreement discount becomes 25, 30, 35, or 40%.

Note: This offering is available in conjunction with the IBM Software Advantage for Workstations Enhanced Discount Schedule (USS 97-034).

To participate, you must be a current Lotus Passport customer, and you must qualify for an IBM Software Advantage for Workstations Commitment Agreement. Prior to signing the Advantage Agreement, you must provide a copy of your Lotus Passport Volume Purchase Commitment Schedule (or Addendum for renewal or extended Passport Agreements) to IBM. This document must specify that you are at an SVP level of C or higher. Upon receipt of the Passport document, your IBM Advantage earned discount level will be increased by 5% (the combined discount level can not exceed 40%). The combined discount, now your Agreement discount, will remain in effect for your entire Advantage Agreement period. Should you acquire product such that your spending level approaches a level that corresponds to a discount that is greater than your Agreement discount, then you should apply for a revised Agreement, and you will be offered that higher discount. This 5% discount does not combine with increased discounts as you cross spending levels under your Advantage Agreement.

Existing Advantage Agreement customers who qualify for this promotion should contact their IBM marketing representative, and provide them a copy of their Lotus Passport Volume Purchase Commitment Schedule (or Addendum). A revised Advantage Agreement will be prepared at the higher discount level. Transactions occurring after the revised Agreement is issued will qualify for the higher discount.

This offering is available only in the United States and Puerto Rico.

IBM reserves the right to modify or withdraw this offering at any time.

This announcement is provided for your information only and is subject to change without notice. For additional information, contact your IBM representative.

Marketing Information

This offering provides current Lotus Passport customers the ability to earn a higher discount when qualifying for an IBM Software Advantage For Workstations Agreement. It should be used to motivate Lotus customers to evaluate IBM workstation software products, and to understand the benefits of acquiring these products under an Advantage Agreement. This incentive, tied to the very aggressive discount schedule now available under Advantage (\$10,000 = 20%, \$50,000 = 25%, \$200,000 = 30%, \$500,000 = 35%) makes an offering that was very price competitive before, even more so now.

Administrative Information

To obtain the 5% additional discount available to Passport customers, the following steps should be taken:

For New Advantage Customers

1. The customer must qualify for an Advantage Agreement.

The minimum Advantage Agreement is for an initial transaction of \$10,000, with an earned discount of 20%. When the customer presents a copy of the Lotus Passport Volume Purchase Commitment Schedule (or Addendum) with an SVP of C or better, that discount can be increased to 25%.

When a customer qualifies for an Advantage Agreement with an earned discount of 25%, 30%, or 35%, they may be offered an additional 5% when they present a copy of the Lotus Passport Volume Purchase Commitment Schedule (or Addendum) with an SVP of C or better.

2. Ensure that a copy of the Lotus Passport Volume Purchase Commitment Schedule (or Addendum) is included with the Advantage Package.

The total package should include:

- The Advantage Agreement (and Supplements). The discount level should reflect the earned discount plus the 5% Passport credit. That sum will be the Advantage Agreement discount.
 - A copy of the initial Advantage Agreement purchase order. The initial order must reflect the correct discount level.
 - A copy of the Lotus Passport Volume License Agreement (SVP = C or better)
3. The completed package should be sent to the appropriate area Advantage Coordinator who will review for completeness and accuracy, accept the Agreement for IBM, and send the completed package to the Software Advantage Administration Center for processing.

For Existing Advantage Customers

1. Provide a copy of your Lotus Passport Volume License Agreement to you IBM marketing representative, or your IBM Business Partner™. They will forward that to the appropriate IBM Area Advantage Coordinator. A revised Agreement will be prepared reflecting the higher discount level. The revised Agreement will be sent to the SAAC for processing, along with a copy of the Passport agreement.

A customer signature is not required as the additional discount is a positive action taken by IBM.

2. The SAAC will notify the customer and fulfilling business partners that the higher discount is now in effect.

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