



Hewlett Packard
Enterprise

Hewlett Packard Enterprise Partner Compensation Program

Terms guide

Enterprise Group (EG)

- Server Specialists
- Storage Specialists
- Networking Specialists
- Services Specialists
- Storage Supplies Partner (PL 7A)

Effective: Q2 FY16 February 1st 2016 to April 30th 2016

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EMEA Region: Western Europe, CEE&I, MEMA

To validate this version as the most up to date please [click here](#)



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Overview of changes vs [Q1 FY16 (Revision 1.1)]

Hewlett Packard Enterprise Partner Ready Compensation scheme maintains 3 key themes: **Simplicity, stability, & predictability**

- “Core Compensation”: 1st \$ sellout, No targets, No caps.
- “More for More”: Earnings aligned to Partner Ready membership.
- Harmonized structure across all EG business units.

Those principles continue to form our foundation going forward. No significant changes in FY H1 2016.

Servers (ISS+BCS)

HPE Maintain stability on current compensation scheme: 1 new PL added

- PL “66”: x86 Virtual Workstations

Storage

Maintain stability on current compensation scheme: no changes towards Q1 FY16

Networking

Maintain stability on current compensation scheme: no changes towards Q1 FY16

Services

Maintain stability on current compensation scheme: no changes towards Q1 FY16

Storage Supplies (PL 7A)

- Maintain stability on current compensation scheme: no changes towards Q1 FY16

Full details of the compensation programs are described in the specific sections of this document to follow.

General terms and conditions

These Hewlett Packard Enterprise (HPE) Partner Compensation Program Terms (“Terms”) constitute an addendum to your Hewlett Packard Enterprise (HPE) Partner Agreement. In the event of any conflict between these Terms and the Hewlett Packard Enterprise (HPE), these Terms take precedence regarding compensation. Capitalized terms not otherwise defined in these Terms are defined in the HPE Partner Agreement.

Unless requested to accept these Terms online or otherwise, you agree that your participation in the Partner Compensation Program (“Program”) constitutes acceptance of, and is governed by, these Terms.

1 Program Objectives

Reward partners for activities specific to their partner status or as otherwise listed, which enhance the HPE brand and sales.

- Provide incentives to partners to focus on specific segments and products
- Improve demand generation together with partners

2 Program Participation

2.1 To participate and receive compensation, you must hold the relevant Partner Ready status for the relevant compensation scheme (as defined in these Terms) in the applicable Quarter subject to the following:

2.1.1 Enterprise partners who are participating under the Partner Ready Program through a business case exception must meet the revenue thresholds and certification and training requirements for the membership level for which they have been exceptionally authorized by the end of an HPE fiscal quarter in order to receive compensation for that quarter.

2.2 Participation in the Program shall automatically end when your HPE Partner Agreement terminates.

3 Duration and Changes

3.1 These Terms are valid for the HPE fiscal quarter (“Quarter”) specified at the front of this document subject to HPE’s rights: (i) to change individual metrics at any time on thirty (30) days’ notice by posting the modified Terms on the HPE Partner Portal and (ii) to correct any errors with the corrections deemed effective from the start of the applicable Quarter.

3.2 HPE reserves the right to terminate or change the Program or a particular compensation scheme for the following Quarter on thirty (30) days written notice by posting the amended Terms on the HPE Partner Portal or otherwise.

4. Audit

In addition to the audit provisions in section 12 of your HPE Partner Agreement:

4.1. It is your responsibility to fully cooperate with the audit and you should provide data in electronic format within four (4) weeks of the request from HPE or its auditors.

4.2. HPE may suspend your participation in the Program or put you on payment hold without additional notice if you do not comply with this section 3 or section 12 of your Partner Agreement.

If there is reasonable doubt regarding your compliance with this Program, then HPE reserves the right to put you on payment hold until the audit results are available and/or any non-compliance issues are resolved.

5. In scope

5.1 Compensation will be paid only for eligible Products that are sold by Resellers in their role as HPE Partner Ready Partners to end-users, unless otherwise explicitly agreed or approved by HPE

5.2 Compensation will be paid only on purchases from HPE and HPE Authorized Partners

6. Out of scope

- 6.1 Special Deals which are excluded from compensation through the Special Deal Exclusion process (see separate section below)
- 6.2 Partner Compensation will not be paid for sales made to Distributors, Resellers, or any other intermediaries (non-end-users) unless approved by HPE.
- 6.3 Sales from or to destinations outside the authorized Territory, as defined in the Partner's HPE Partner Agreement.
- 6.4 Partner Compensation will not be paid on equipment, the partner is buying for its own use (except where the partner is buying for a datacenter for commercial service provision), for using as demo equipment or that are sold via partner internal employee purchase programs.
- 6.5 Compensation in Russia is handled via a local Program which is not part of these Compensation Program Terms.
- 6.6 Non packaged support services: compensation of non-packaged support services business is as described in the HPE Partner Ready Services Service Contract Specialist (SCS) Operations Guide.

Conditions

- Partner must submit all claims for compensation relating to HPE business within six (6) months from the end of the quarter. HPE will not accept any claims beyond that date.
- Partners must submit all requests for correction or exception regarding their specific compensation schemes to their HPE Partner Business Manager within four weeks after the end of that compensation period. HPE will not accept any requests for correction or exception of partners' sales target achievement submitted after the deadline.
- HPE authorized sellout reporters provide their sellout reports to HPE each working day, reporting all the shipments to Final Tiers on this working day. For compensation eligibility, the date of the shipment to the Partner is the only relevant one. It is the responsibility of the Partner to ensure that his shipments from any HPE authorized Distributors are reported to HPE on time to be taken into account for compensation eligibility. Furthermore, HPE does not accept any liability in the event that an HPE authorized Distributor has not reported the Partner's sellout on time to HPE on the final day of any HPE fiscal quarter. Any unshipped order backlog of the Partner will not qualify for sell-out and does not count towards the sales target achievement
- HPE reserves the right to claim back any compensation payments made due to an error, an invalid claim and/or based on any reporting which it not in accordance with these Program Terms. Examples of these instances are mentioned below, though this list is not exhaustive:
- Margin corrections reported as sales.
- Compensation paid on business that is returned to Distributor and not correctly reported as such.
- Products for internal use that were reported as sales.
- Sales made to Distributors, or any other type of resellers
- HPE reserves the right to claim back payments pursuant to this paragraph within 2 years from the date HPE made the payment to Partner, or a longer period as allowed by applicable law.
- In the event that HPE makes a compensation payment in error or an invalid claim is subsequently identified, HPE reserves the right to recover the money pursuant to this paragraph in the manner which it determines to be the most expedient in the circumstances (without prejudice to any other rights available to HPE), including without limitation: (i) by issuing a claim to the Partner for reimbursement of the overpayment, in which case the Partner agrees to pay within 30 days of HPE's demand and (ii) by deducting the overpayment from subsequent compensation payments to the Partner.

Additional information

For hardware, software and services sold using HPE Financial Services you are eligible to earn additional product discount % at the same time as product invoice. You may also be eligible for the HPFS channel program¹. This is in addition to HPE Partner Ready compensation. Contact your HPE Financial Services representative today for additional details: www.HPE.com/HPEfinancialservices.

New partner eligibility/membership upgrades

For Partners new to the HPE Partner Ready Program or upgrading to a higher status within Partner Ready, the eligibility to partner compensation benefits is defined by the date of the accreditation within the Quarter.

Eligibility to Core Compensation is granted for the next Quarter following the Quarter in which the partner meets the full Partner Ready criteria.

Meet Partner Ready criteria by:	Compensation eligibility from:	
Sep 30th	Nov 1st	Q1
Jan 31st	Feb 1st	Q2
Apr 30th	May 1st	Q3
Jul 31st	Aug 1st	Q4

Eligibility to Core compensation is defined by the Partner's membership level at the beginning of the quarter. E.g. Upgrades from Silver to Gold membership during a Quarter will lead to eligibility for Gold compensation only with the start of the next Quarter.

Eligibility to accelerators (target based compensation) is only granted for the next compensation cycle if accreditation is completed by the end of the penultimate month of the previous compensation cycle (e.g. for quarterly compensation cycles Sep.30 for eligibility to accelerators for Q1, for half yearly compensation cycles September 30th for eligibility for H1).

Accreditations completed in the last month of a compensation cycle will confer eligibility for the compensation cycle after the immediately succeeding compensation cycle. (e.g. for quarterly compensation cycles, Jan.31 accreditation grants accelerator eligibility from Q3 only, for half yearly compensation cycles April 30 accreditation grants accelerator eligibility from H1 of the following year only.)

Mechanism

- All sales activities payments under these Program Terms will be made by Hewlett Packard International sarl, the EMEA Distributor of HPE products to HPE sales offices, except that all such payments with regards to purchases made directly from a Hewlett Packard entity will be made in respect of hardware, by the Hewlett Packard entity with which you have entered into the HPE Partner Agreement, HPE entity is interested in increasing the sales of Products through the incentives and receives measurable benefit under it.
- The disbursement will be made via bank transfer for payments related to your eligible purchases from a HPE authorized distributor/reseller and via credit note for payments related to your eligible purchases directly from HPE. Every bank transfer or credit note will be made in EUR or in USD, or in local currency if required, at HPE's option. Partner claims must include both the full name, address and VAT identity of Partner's company and of the HPE entity against which the claim is made, together with a full enough description to identify the incentive and the rebates due. Incomplete claims will not be processed.
- For any accelerator or target based compensation scheme, targets will be confirmed by your HPE Partner Business Manager, based on pre- defined compensation guidelines, agreed upon for the quarter/half year.
- All compensation amounts below the equivalent of 100 USD per bonus calculation scheme (using internal HPE pricing exchange rates) will NOT be paid out and cannot be claimed by Partner.
- Rebates calculated in accordance with the Program Terms are exclusive of VAT. Where applicable, HPE will apply local mandatory VAT when processing the payments. The receiver of the payments should fulfill any tax obligations imposed by local tax legislation.
- In some countries, specific terms and conditions regarding the payment processes and VAT handling will apply. These specific terms are defined in the relevant "Local channel compensation payment processes and VAT Guide" and are integrated part of these Program Terms
- Compensation is payable on receipt of a valid invoice from the Partner.

¹ If you are an approved HPFS reseller

Core Compensation (formerly known as Pay-for-Results/PfR)

General Rules

Fixed % linear Core Compensation (PFR) Schemes - Common Setup

HPE compensation scheme holds 3 key principles: stability, profitability and predictability. Under these principles, the core compensation rewards partners for all sales with a fixed % linear compensation that follows a standard methodology.

The core compensation scheme recognizes the “more for more” principle: Partners with higher Specialization levels and investments will receive a higher fixed % for certain core compensation schemes.

For each fixed % linear core compensation scheme, the rebate is calculated as a fixed % of LIST Sellout + Shipment for each eligible HPE Specialist during the compensation period and issued independently for each BU.

HPE Specialist partners can earn higher fixed core compensation % by selling HPE strategic products. HPE strategic products are: Converged Systems, OneView, SAP HANA, Superdome X, 3PAR Midrange, Software Defined Storage, StoreOnce and Wireless.

Partners with higher Specialization levels will receive a higher fixed % for certain core compensation schemes.

Eligible partners

All Partners who qualify for eligible EG Specialization (see Appendix 2).

EG fixed % Compensation Schemes Summary:

Fixed % Scheme	Eligible Partner	Rebate %	Eligible PLs
Server PFR	SILVER Server Specialist	1.50%	FE, FS, TR, HA, 1V, 8V
		0.75%	UZ, 4Q, MV, SY, LA, PD, TN, SI, 4U, J3, 2M, FN, SH, 1X, 23, TQ, 1T, 66
	GOLD Server Specialist	3.00%	FE, FS, TR, HA, 1V, 8V
		1.50%	UZ, 4Q, MV, SY, LA, PD, TN, SI, 4U, J3, 2M, FN, SH, 1X, 23, TQ, 1T, 66
	PLATINUM CI Specialist	4.00%	FE, FS, TR, HA, 1V, 8V
		2.00%	UZ, 4Q, MV, SY, LA, PD, TN, SI, 4U, J3, 2M, FN, SH, 1X, 23, TQ, 1T, 66
Networking PFR	SILVER Networking Specialist	2.00%	3P
		1.00%	6H, I5, I7, 35, 1U, 34, I6, 3W, FA, NT
	GOLD Networking Specialist	3.50%	3P
		2.50%	6H, I5, I7, 35, 1U, 34, I6, 3W, FA, NT
	PLATINUM CI Specialist	4.00%	3P
		3.00%	6H, I5, I7, 35, 1U, 34, I6, 3W, FA, NT
Storage PFR	SILVER Storage Specialist	1.30%	3C,3S, J2, 3V, LI, LK, 4A, 43, LH, SD
		0.80%	1Y, 3Z, 4F, LJ, LL, LM
	GOLD Storage Specialist	3.50%	3C,3S, J2, 3V, LI, LK, 4A, 43, LH, SD
		2.00%	1Y, 3Z, 4F, LJ, LL, LM, LN
	PLATINUM CI Specialist	4.00%	3C,3S, J2, 3V, LI, LK, 4A, 43, LH, SD
		2.30%	1Y, 3Z, 4F, LJ, LL, LM, LN
	Server Specialist but not Storage Specialist	1.30%	SD

Services fixed % Compensation Schemes Summary

Specialization	EG TOP Ranking ²			
	EG TOP < 1.0	1.0 =< EG TOP < 1.3	EG TOP >= 1.3	EG TOP >= 1.6
Platinum Converged Infrastructure Specialist	1.00%	2.00%	4.00%	6.00%
Gold Services Specialist				4.00%
Silver Services Specialist			2.00%	
Eligible Product Lines	7G, 96, 72, JN, K3, R8, UW, 6W, 1Z, 4J, G4, 60,EA, 6C, 9Y, 9X			

Target based Core Compensation (PFR) Accelerator Scheme

The enhanced ISS Accelerator scheme is operated over a Half yearly compensation period, one consolidated sales threshold is set by HPE for H1 FY16 (November 1st – April 30). As usual the threshold for eligible partners will be communicated in early November via HPE partner portal.

A fixed % rebate will be applied to all sales exceeding this threshold subject to a cap at 150% of the threshold. Achievements beyond 150% will only be eligible for fixed core compensation.

For the ISS Accelerator scheme, the set of eligible product lines is identical corresponding to the fixed% core compensation scheme.

ISS Accelerator Scheme Summary:

Compensation Scheme	Eligible Partner	Rebate % including Core compensation (applicable to 1st \$ exceeding sales threshold and until reaching 150% of threshold)	Eligible PLs
EG-ISS PFR Accelerator	PLATINUM CI Specialist ³ Gold Server Specialist ⁴	4.00% ⁵ ISS Accelerator	UZ, 4Q, MV, SY, LA, PD, TN, SI, 4U, J3, 2M, FN, FE, FS, SH, 1T, 1V, 8V

² EG TOP: "Total Operating Performance" (See Appendix 4). EG TOP = 1 = Country average attach performance.

^{3,4} ISS Accelerator scheme is available for Platinum CI & Gold Server partners who are accredited with Partner Ready Platinum & Gold Server specialization by end of September 2015.

⁵ 4% ISS Accelerator for sales above threshold 2% additional compensation on top of standard Core compensation (Platinum) 2.5% additional compensation on top of standard Core compensation (Gold)

Exclusion of Special Priced Deals from Compensation

Objective

In some instances, HPE may grant end-user special pricing to Partners in order to improve their chances of winning a deal (a “Special Priced Deal” or “SPD”) in accordance with the HPE Partner End-User Negotiated Discount Program Terms.

Depending on the size plus the amount of discount requested on a particular deal, HPE may decide that it will only grant end-user special pricing if the Partner agrees to exclude that particular SPD from the applicable compensation scheme.

The procedure of excluding an SPD from compensation will follow a pre-defined and structured process referred to as the “Special Priced Deal Exclusion Process”, (SPDEP) as outlined below.

Special Priced Deal Exclusion Process

Partner may request special priced deal support on a particular deal.

HPE will assess each SPD request to determine whether or not SPDEP is required.

This assessment will follow a pre-defined and consistent approach, taking into consideration

- The actual deal size,
- Products in scope of SPD as well as
- The level of special pricing requested,

If HPE decides as a result of the assessment that SPDEP is required to support the Partner on a particular SPD, HPE will inform the Partner and send them an SPDEP letter or other form of communication asking them to agree that SPDEP shall be applied. Partner needs to confirm its agreement that the SPD will be subject to SPDEP following the guidance provided on the SPDEP communication and return it to HPE. Once HPE has received Partner’s formal agreement to the SPDEP for that particular SPD, HPE will take all the necessary steps to support the corresponding SPD.

SPDEP consists of a bonus reduction in same proportion as the actual deal size (B) versus the total sales eligible for compensation (A) which includes B. The formula is the following: $\text{Final bonus} = \text{Bonus} * (A-B) / A$

Sales outside EU Territory

Compensation will not be paid on sales from or to destinations outside Partner’s Territory

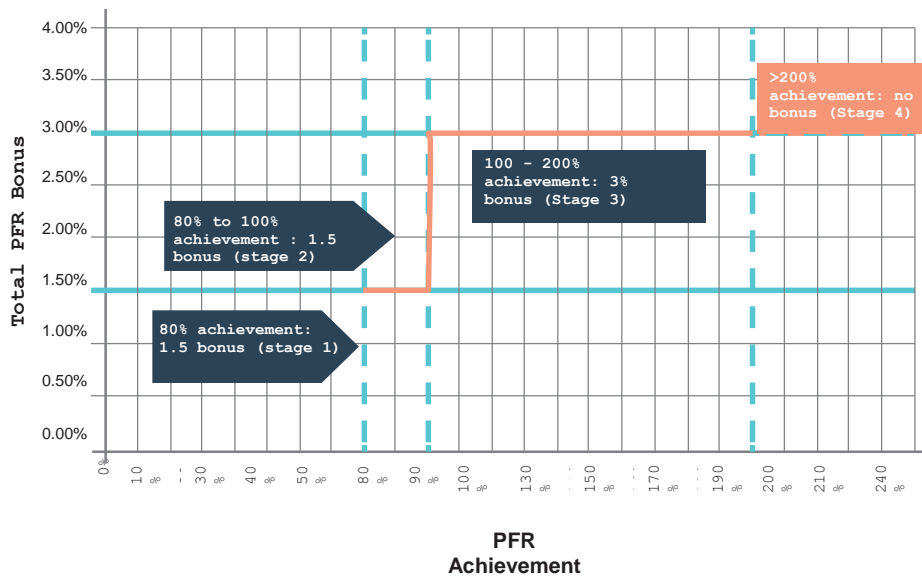
Storage Supplies (PL 7A) Focus program

This Focus program is open to Partners who specialize in storage supplies product sales. They receive a bonus if they achieve 100% of their quarterly sales target for PL 7A. The bonus is calculated as a % of LIST Sellout + Shipment of PL 7A.

Silver Storage Supplies Specialist receive account management from a Specialist Account Manager, Co-Marketing support, promotion support, training, Big Deal support and sales & marketing tools.

The requirements for participation include:

- Storage supplies sales focus (aftermarket and/or Storage hardware-attach), min. 3% of total revenue
- Partner sales force trained min 1/yr by HPE on storage supplies portfolio and value proposition
- Dedicated storage supplies product specialist/contact in place
- Minimum target for storage supplies sales. Germany, UK: \$45k/qtr; all other countries: \$15k/qtr



Conceptual diagram only

The compensation scheme starts at 80% sales target achievement which provides participants with 1.5% bonus. There is a step between 80% and 100% sales target achievement. Participants must achieve 100% in order to be eligible for the full bonus level of 3%.

Partners can contact their Partner Business Manager for qualification. PBM needs to work with his PL 7A Specialist to qualify the partner and request participation from the EMEA ESSN Storage Supplies sales management.

Appendix

Appendix 1: HPE Product Line codes

Appendix 2: List of specializations

Appendix 3: Definitions of regional areas

Appendix 4: EG TOP Measurement

Appendix 1: Enterprise Servers Storage and Networking Product Lines

Business Unit	Product Category	Product Line	Product Line Description
Servers	BCS excl NED	1X	Integrity Solution
		23	BCS Software
		HA	Alpha Systems Division
		TQ	BCS Blades
		TR	BCS x-86 Servers
		NW	Non-stop Enterprise
	Converged Infrastructure Solutions ISS 4P Products	UZ	Converged Infrastructure
		66	x86 Virtual Workstations
		4Q 4P	x86 Entry and Value Rack Solutions 4P ISS Products
	ISS Blades	MV	Blades Units & Enclosures
	ISS Core	SY	Systems Division
	ISS Entry	LA	Entry Level Systems & Accessories
		PD	ISS PODs
		TN	Scale-out Computing and HPC
		2M	Moonshot
		FN	Hydrogen
		FE	Cloud and virtual systems
		FS	Fusion
	S Shared Options	SI	Server Storage & Inf
		SH	Focus Option
	ISS Software	4U	HPE ISS Software
		J3	3rd Party Software x86
		8V	Cloud Matrix Software
1V		Network Virtualization Functions	
1T		X86 software defined storage	
Networking	Switching Routing WLAN Networking Other	35	Networking Accessories
		6H	Switching
		I5	SBN Networking
		I6	Enterprise Switching
		FA	Networking Converge
		NT	Infrastructure
		34	Data Center ToR Switching
		I7	Enterprise Routing Routing
		3P	WLAN
	1U	Networking Applications	
	3W	Networking Utility	
Storage	Storage Networking	1Y	Storage Networking
	Storage Tape	3C	Commercial Tape & SW
		LJ	Enterprise Nearline
HPESD Blades	LL	Bladed Storage	

	Traditional Storage	3Z	3PAR High End SW
		43	3PAR Mid Range SW
		4A	3PAR Mid Range HW
		4F	3PAR High-End HW
	LI	Commercial Disk & SW	
	LM	EVA Disk & SW	
	LN	XP Disk & SW	
	SD	Software	
	Unified Storage	3S	D2D StoreOnce
		3V	Converged Infrastructure Appliances
J2		Scale-Out SAN Disk & Software	
LK		Scale Out NAS	

Services

Business Unit	Product Category	Product Line	Product Line Description
Services	Technology Consulting	1Z	TS Network Consulting
		4J	Education Services
		6C	Storage Infrastructure
		G4 60 EA	Data Center Transformation Cloud Consulting services Data Center Facilities
	Technology Support	6W	3PAR Support Services
		72	BCS Server Support
		7G	Network Services
		96	Industry Standard Servers Support
		JN	Mission Critical and Technical Services
		9X	Datacenter Care Proactive
		9Y	Moonshot Server Support
		K3	Technology Software Services
		R8	Storage Support
	UW	Integration and Deployment Services	

Storage Supplies (PL 7A)

Product category	Product line	Product Line Description
Storage Supplies	7A	Storage Supplies

Appendix 2: List of Specializations

Partner Ready Naming Terminology, no changes vs FY2015

FY2016 Terminology	Related Business Units
PLATINUM CI Specialist	all of EG
GOLD Server Specialist	ISS and BCS
SILVER Server Specialist	ISS and BCS
GOLD Storage Specialist	HPSD
SILVER Storage Specialist	HPSD
GOLD Network Specialist	HPN
SILVER Network Specialist	HPN
GOLD Services Specialist	TS
SILVER Services Specialist	TS
Storage Supplies Partner	Storage Supplies (PL 7A)

Appendix 3: Definitions of regional areas

Western Europe (all of which belong to EEA)	Spain, Portugal, Austria, Switzerland, Ireland, UK, France, Italy, Germany, Belgium, Luxemburg, Netherlands, Liechtenstein, Sweden, Finland, Estonia, Latvia, Lithuania, Norway, Denmark, Iceland
EEA Countries outside Western Europe	Bulgaria, Hungary, Romania, Slovenia, Slovakia, Cyprus, Greece, Poland, Czech Republic, Hungary
SEE Countries	Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Malta, Moldavia, Romania, Serbia, Montenegro, Slovenia, Hungary
CIS Countries	Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan
CEE&I Region	SEE Countries, CIS Countries, Slovakia, Poland, Czech Republic, Hungary, Israel
MEMA Region	Cyprus, Greece, Turkey, Africa Region, South Africa, Middle-East Region including KSA and Rest of ME

Appendix 4: EG TOP Measurement

Description

EG TOP (Total Operating performance) is a measure of partners' HPE Service sales performance relative to their market "benchmark". Market "benchmark" is defined at a country level and is calculated by HPE.

EG TOP provides the country Level normalized EG service attach performance of partners. $EG\ TOP = 1 = \text{Country average attach performance.}$

The EG TOP measure considers the local market place the partners are competing in and the HPE (Enterprise Group) product portfolio the partners are selling split across 5 product groupings covering storage, servers and networking.

Key characteristics of the country average penetration rate used to measure EG TOP at partner level:

- Evaluated across 5 Enterprise Group product groupings
- The country averages are measured considering the full reseller community
- Includes partners that sell HPE Services and partners that do not
- Comprises the sales that included HPE Services and the sales that did not
- Measured on 12 month period and set for one year

The FY15 country baseline penetration rates are available from your local HPE contact.