

Brocade Network Subscription Frequently Asked Questions

Introduction

Brocade® Network Subscription is an innovative way to acquire Brocade and Ruckus technology as-a-service. It is the industry's only fully scalable, fully upgradeable acquisition option.

Revolutionizing the way organizations acquire wired and wireless network infrastructure, this industry-leading subscription-based solution provides flexible, open-ended network acquisition that includes support services. Organizations now have the power to align network technology and capacity with constantly changing requirements.

Brocade Network Subscription offers customers several key values that they cannot find through either purchase or leasing plans:

- **Unlimited upgradability and scalability:** Brocade Network Subscription is a launching point with unlimited possibility to migrate to the latest technology at any time
- **OpEx spend:** Brocade Network Subscription has been created so customers can reserve capital to fund other business objectives/investments
- **No term contract:** With 60-day notice, customers may adjust their equipment configuration to fit shifting business demand
- **No upfront cash required:** Pay as you go on a monthly basis, so customers can conserve cash and avoid network investments
- **Monetize network utilization:** Departments or service providers can easily identify and bill-back network assets on a monthly basis
- **Total obsolescence protection:** Flexible, risk-free terms allow organizations to refresh the network assets at any time to take advantage of technology advancements and adjust to constantly changing standards

For more information, contact to your Brocade Financial Capital Representative or visit www.NoNetworkCapEx.com.

General Questions and Answers

Q. Are Ruckus wireless products eligible for Brocade Network Subscription financing?

A. Ruckus wireless products are eligible for complete Brocade Network Subscription financing, with identical terms and conditions.

Q. What are the terms of engagement of other third-party wireless parties?

A. Terms of engagement for third-party wireless parties:

- Transaction value must include a minimum of 75 percent Brocade IP products
- Quotes include maintenance support
- All deals must have authorization from Brocade Capital prior to quoting
- Applies exclusively Brocade approved solutions
- Brocade Capital has the right to refuse any deal

Q. What does Brocade Network Subscription provide?

A. Brocade Network Subscription provides organizations with a specified level of network capacity, bandwidth, and performance, along with Brocade Direct Support. Network operation remains the expense of the organization.

Q. Are there any eligibility requirements to take advantage of Brocade Network Subscription?

A. The contracting party must:

- Be reviewed and approved by the Brocade credit team and subject to Brocade credit criteria
- Agree to and sign the contract
- Maintain their current account billing status

Q. How is Brocade Network Subscription different from a lease?

A. Leasing is a means of financing a purchase over a fixed term and might include support, origination fees, finance charges, and penalties for early termination. Brocade Network Subscription has no origination fees, no fixed term, and no penalties for early termination. Brocade Essential Support is included. Brocade Network Subscription provides use of equipment with no title transfer.

Note: Brocade does not charge origination fees for leases. Customers typically account for a lease as a liability on their balance sheet.

Q. Who offers Brocade Network Subscription?

A. Brocade Network Subscription is available directly from Brocade and through Brocade and Ruckus Partners.

Q. What products are available under Brocade Network Subscription?

A. Brocade Network Subscription is available on Brocade IP/Ethernet products, Ruckus, and authorized third party assets with prior approval. Contact Brocade Capital for a current list of applicable products.

Q. How is Brocade Network Subscription billed to organizations?

A. Brocade Network Subscription is billed on a monthly basis, commencing once the organization receives the equipment.

Q. How are Brocade Network Subscription orders shipped?

A. Brocade utilizes its standard shipping process for Brocade Network Subscription orders to ensure that all products are delivered in a timely manner.

Q. Do customers have the option to purchase network equipment they have acquired under Brocade Network Subscription?

A. Yes, at any time. Contact your Brocade Capital Solutions Representative for details.

Q. Can organizations upgrade or refresh products provided under Brocade Network Subscription?

A. Yes. To upgrade or refresh products, organizations simply must initiate a new subscription schedule. Since there are no termination or origination fees, the new subscription schedule does not result in a penalty or hidden fees to the organization. However, a new monthly subscription charge will be established to reflect the difference in performance, features, and capabilities of the upgraded products.

Q. Is there a penalty for adding capacity or reducing capacity under Brocade Network Subscription?

A. No. Returning equipment requires 60-day notification.

Q. What is the lead time for adding network capacity to a Brocade Network Subscription?

A. Network capacity may be added at any time, based on credit-worthiness and equipment availability.

Q. How do customers increase network capacity under Brocade Network Subscription?

A. Resellers contact Brocade and provide their additional build of materials and end-user price quote. Brocade will then present a new Brocade Network Subscription quotation. The customer will be required to sign a new agreement schedule to authorize the capacity increase and adjusted billing rate.

Q. Is there a minimum Brocade Network Subscription transaction amount for adding capacity or other enhancements to an existing Brocade Network Subscription deployment?

A. No.

Q. What happens to the Brocade products that come out of service from Brocade Network Subscription?

A. Brocade Network Subscription products that come out of service are shipped to a Brocade facility, where they are fully reconditioned, updated, and brought up to new product standards. These refurbished products may be used for subsequent Brocade Network Subscription deployments, service spares, or sold. Refurbished products will not be sold as new.

Q. Are the products shipped under Brocade Network Subscription new or refurbished?

A. Brocade will ship a combination of new and refurbished products under Brocade Network Subscription, subject to product availability.

Q. How do customers decrease network capacity under Brocade Network Subscription?

A. Customers must provide Brocade with 60-days' written notice of their intent to return any equipment under Brocade Network Subscription. Customers are given a full packet of return instructions to guide them through the return process. All equipment must be returned in good condition, with only normal wear and tear. Customers are responsible for return freight charges.

Q. Returning equipment to Brocade can be expensive and costly—do customers have other alternatives?

A. Yes. Brocade can tailor a utilization subscription model that aligns with the natural ebb and flow of demand and capacity requirements. This model allows customers the ability to have periods of less utilization without the burden of equipment de-installation and return. Additional requirements, such as a monthly usage report, are required of the customer. While there continue to be no fixed term requirements, this usage based model will have a pre-negotiated floor with each customer. Contact your Brocade Capital Representative for further details.

Q. Is there a minimum Brocade Network Subscription transaction amount for reducing capacity of an existing Brocade Network Subscription deployment?

A. No.

Q. Under what conditions may customers terminate Brocade Network Subscription?

A. Customers may terminate Brocade Network Subscription, for any reason, at any time with 60-day written notice to Brocade.

Q. How do customers terminate Brocade Network Subscription?

A. Customers must provide Brocade with 60-day written notice of their intent to terminate Brocade Network Subscription. Organizations are given a full packet of return instructions to guide them through the return process. All equipment must be returned in good condition, with only normal wear and tear. Customers are responsible for return freight charges.

Q. Is there a penalty for cancelling Brocade Network Subscription?

A. No.

Q. What level of Brocade Direct Support is included with Brocade Network Subscription?

A. Brocade Essential Support with a Next-Business-Day Part Service Level Agreement (SLA) is included with Brocade Network Subscription. Customers have the option of upgrading to Brocade Premier or Premier-Plus Support, or a higher level SLA for an additional monthly fee.

Note: Third party technical support offerings may vary.

Q. Does Brocade manage the organization's network environment using its services personnel under Brocade Network Subscription?

A. No. Although Brocade provides direct support, it is not responsible for managing the network environment. Brocade complements—but does not replace—an organization's network operating team. Additional onsite professional services are available from Brocade for a fee. Brocade Professional Services include—but are not limited to—migration services, installation services, and Brocade Resident Consultant services to assist customers with change management and optimization of their infrastructure.

Q. Are any professional services included with Brocade Network Subscription?

A. No. Professional services are not included with Brocade Network Subscription. However, onsite professional services are available from Brocade for a fee. Brocade Professional Services offers assessment, design, implementation, migration, and Brocade Resident Consultant services to assist customers with change management and optimization of their infrastructure.

Q. Will Brocade provide a managed inventory arrangement as part of Brocade Network Subscription?

A. No, Brocade will not consign product or provide managed inventory under Brocade Network Subscription. However, Brocade will work directly with customers—or via the Brocade Partner who is supporting the Brocade Network Subscription—to anticipate additional capacity requirements to minimize any gaps between supply and demand.

Q. How does the Total Cost of Ownership (TCO) for equipment and services acquired via Brocade Network Subscription compare to commercial lease or traditional purchase models?

A. The TCO for any organization is dependent on that organization's specific needs and objectives. For customers that have available capital, purchasing typically provides the lowest total cost of acquisition. Purchasing ties up capital and limits business agility once the equipment is acquired. For customers that are preserving capital but frequently need to add new network infrastructure, leasing can offer the lowest total cost of acquisition. Leasing frees up capital and provides more business agility than purchasing. For customers that are budget constrained, or need to align cost/capacity with revenue/demand, Brocade Network Subscription can provide the lowest total cost of acquisition. Brocade Network Subscription enables greater capital flexibility and provides better business agility than leasing.

Q. Where is Brocade Network Subscription available?

A. Brocade Network Subscription available in limited geographies, including:

- United States
- Canada
- Hong Kong
- Australia
- United Kingdom
- Netherlands
- Switzerland
- Malta
- Germany
- France
- Italy
- Denmark
- Finland
- Ireland

Q. What conditions or restrictions must customers meet to take advantage of Brocade Network Subscription?

A. Customers must be creditworthy.

Q. What benefits does Brocade Network Subscription bring to different organizations?

A. Brocade Network Subscription benefits different organizations in the following ways:

- Cloud hosting providers, telco, and managed service providers:
 - Rapid provisioning to accommodate new and expanding opportunities
 - Pay for actual utilization
 - Protection against technology obsolescence
 - OpEx billing

- Corporate organizations:
 - Peak network performance delivery
 - Business performance management on Return On Assets (ROA) or Return On Invested Capital (ROIC)
 - Greater flexibility for IT upgrades
 - Rapidly changing global footprints through mergers and acquisitions
- Government organizations:
 - Acquisition alignment with CIO's IT "As-a-Service" directives
 - Priority is given to both cash flow and total cost
 - Minimized risk of adopting new technologies
 - Flexibility for lengthy or unpredictable budgetary cycles
- Healthcare organizations:
 - Obsolescence protection for continuously evolving standards and regulations
 - Utilization of state-of-the-art technology when networking with patients, doctors, insurance agencies, suppliers, and care facilities, as well as for internal use
 - Rapid provisioning to maintain a dynamic infrastructure
 - CapEx budget is retained for primary care equipment
- Education organizations:
 - Employ state-of-the-art technology to meet demanding research requirements
 - Priority is given to both cash flow and total cost
 - Eligible for E-Rate Managed Internal Broadband Services (MIBS)

Learn More

Q. Where can I learn more about Brocade Network Subscription?

A. To learn more, contact a member of the Brocade Capital Sales Team or visit one of the Web sites below:

- Brocade Capital Sales Team:
 - Cathy Gisi – cgisi@brocade.com, (248) 200-7457 (Northeast, Central United States, and Canada)
 - Kelly Meltzer – kmeltzer@brocade.com, (408) 333-2841 (Southeast and Western United States)
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