

LEVIN
contains important notes

**EXTENDED LICENSE AGREEMENT
FOR MICROSOFT APPLICATIONS**

"A DISCRETIONARY PRICING TOOL"

MS-PCA 1488646

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XLA GOALS

- 1. Provide a substantial incentive for Corporate Accounts who are actively considering standardization on Microsoft Excel, Word and/or Office.**
- 2. Make it easy for Corporate Accounts to get *legal* on Microsoft Windows Applications.**
- 3. Make Microsoft Office *wildly* attractive to most Corporate Accounts.**
- 4. Move active evaluations of Microsoft Windows applications closer to a purchase decision before our major competitors ship their Windows Applications.**
- 5. Encourage more accounts to think of software purchasing as license cost per workstation.**
- 6. Profitably reach uncaptured market share by securing incremental and future business thru standard channel distribution.**

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STRATEGY

- 0 "NORMAL" PURCHASING/LICENSING VIA CHANNEL
- 0 NO NEW / ADDITIONAL/ SPECIAL SKU'S
- 0 " PER SYSTEM" ACCOUNTING METHOD FOR SIMPLICITY-- COUNT MACHINES AND SOFTWARE PURCHASED
- 0 TWO-WAY AGREEMENTS FOR SIMPLICITY
- 0 DON'T DISCOUNT "NORMAL" BUSINESS--GET STANDARDIZATION
- 0 BEGIN SELLING IN JULY 91

*Richman want of >15:
Hollman it'd said this would be a
3 party agreement.*

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XLA OVERVIEW

- o **CUSTOMER COUNTS ALL WINDOWS- CAPABLE OR MAC CPU'S AT PHYSICAL SITE AND/OR DIVISION (500 CPU minimum).**
- o **CUSTOMER PURCHASES MS EXCEL , WORD OR OFFICE APPLICATIONS IN ANY APPROPRIATE FORM (FULL PRODUCT/ MLP/ SWAP ETC.) FROM THE CHANNEL UP TO PREDEFINED RATIO OF (60%).**
- o **MICROSOFT GRANTS THE BALANCE OF 40% *EXTENDED* LICENSES TO CUSTOMER.**

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AN EXAMPLE

- 0 CUSTOMER HAS 1000 INSTALLED SYSTEMS, 500 EXCEL.
- 0 CUSTOMER PURCHASES 100 UNITS OF EXCEL TO REACH THE PREDEFINED RATIO OF 60%.
- 0 MS WILL GRANT 400 ADDITIONAL LICENSES FOR INSTALLED BASE
- 0 ACCOUNT MUST PURCHASE 60% NEW LICENSES FOR NEW SYSTEMS AND MS WILL GRANT THE 40%.

• SPA reporting

*• how do quoted licenses appear in worldwide reporting:
- need 6 new SKUs*

XLA	Word	Win
XLA	Excel	Win
XLA	Office	Win
XLA	Word	Win
XLA	Excel	Win
XLA	Office	Win

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INDIVIDUAL APPS VS. OFFICE

o LICENSES OF EXCEL AND WORD COUNT TOWARD THE RATIO REQUIREMENT FOR OFFICE.

EXAMPLE

- o THE CUSTOMER HAS 1000 QUALIFIED CPU'S .
- o THE CUSTOMER HAS 500 EXCEL, 500 WORD, 50 PP, 75 MAIL.
- o TO STANDARDIZE ON OFFICE THE CUSTOMER ONLY NEEDS TO PURCHASE 100 UNITS OF OFFICE TO REACH THE 60% RATIO.
- o MICROSOFT GRANTS THE CUSTOMER 400 EXTENDED LICENCES OF OFFICE. *and account is increased up to 100% on Office*

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WINOFFICE EXAMPLE

<u>PROD</u>	<u>CURRENT</u>	<u>PER- APP</u>	<u>AFTER PURCHASE</u>	<u>ADDITIONAL</u>	<u>PURCHASE ROD</u>
		<u>RATIO</u>	<u>OF 100 WINOFFICE</u>		
EXCEL	500	600	600	0	1000
WORD	500	600	600	0	1000
PP	50	N/A	150	0	1000
MAIL	75	N/A	175	0	1000

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XLA PROGRAM PROCESS

1) *Letter of Intent*: A one page letter which describes the XLA program.

includes detailed defn of site.
Terms and Conditions: A detailed description of all terms and conditions applicable.

2) *Extended License Agreement for Microsoft Applications Certificate*: A one page, three part, serialized certificate which is to be completed after the customer has reached the 60% ratio. This certificate will serve not only as an agreement to the program, but also as the granted license certificate. In addition to highlighting the XLA Program, definitions, restrictions and other relevant conditions, information must be filled out by the customer including: identification of sites; number of Qualified CPUs and Licensed Microsoft Applications the customer owns. *done by end of July.*

- should be included in both reader & corp. channel guide.

3) *Quarterly Verification Reporting form/disk template*: An Excel formatted template (hard copy and disk) which include data fields for the number of new Qualified CPUs and Microsoft Applications purchased by the customer since the last reporting quarter.

under what conditions is termination permitted? what obligation must be fulfilled to grant?

1000 CPUs 600 words / by 500 PCs - one is 25% the what would be done over the remainder of the term.

TERMS AND CONDITIONS

- * The terms and conditions will not change for 1 year from the customer signing their first *Extended License Agreement for Microsoft Applications Certificate*. Microsoft will provide written notification to the customer 90 days prior to any changes in the terms and conditions. *extends when first TCA grant is authorized.*
- * Transfer of Licenses: The extended licenses granted can be transferred to any part of the company which is covered under the XLA program. The extended licenses however **CAN NOT BE RESOLD UNDER ANY CIRCUMSTANCES**, even after the customer has terminated the program.
- * Once an account has reached the minimum, they may discontinue the program at any time by providing written notification to the XLA Administrator 30 days in advance. Upon termination they are no longer eligible for any extended licenses.

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TERMS AND CONDITIONS

- * **Concurrent Usage:** All rights apply under this program as stated in the Microsoft standard license .
- * **The Program does not cover Project, PowerPoint, Mail, Programming Languages or any Systems products including: DOS 5.0 Upgrade, Windows, LAN Manager and Server based applications. Promotional bundles also do not apply.**
- * **Licensed units of Excel and Word can be counted towards the ratio required for Office.**
- * **Updates are NOT included under the XLA program.**

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TERMS AND CONDITIONS

- * Windows-capable and Macintosh CPUs can be combined to reach the 500 CPU minimum.
- * Installed CPUs are defined as CPUs in the customers inventory at the time the agreement is signed. CPUs on order CAN NOT be counted.
- * Documentation for extended licenses is available at MLP documentation pricing.
- * As with all our other software sales to end users all certificates issuing extended licenses are between Microsoft and the customer.

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ORC ISSUES:

- * Program Communication
- * Program Administration: Inside Sales

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