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MICROSOFT. SELECT

Volume-licensing program version 4.1

PROGRAM OVERVIEW

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Microsoft **SELECT**

4.1

INTRODUCING MICROSOFT SELECT

Microsoft Select is a simple volume software licensing program designed to help reduce your total cost of software ownership while making it easier to acquire licenses for Microsoft® products on an ongoing basis.

Designed for business, government, and education customers with more than 1,000 desktops, Select 4.1 reflects recent changes to Microsoft's volume licensing program intended to simplify the program and make it easier to use. This Overview provides you with a profile of the program and how it works. If you have additional questions, please contact your Microsoft Large Account Reseller (LAR) or your Microsoft Account Manager.

Benefits of Select 4.1.

Select offers your organization a number of important benefits, including:

- **Volume pricing can save you money.** Pricing for licenses acquired under Select reflects the forecast of your *entire* organization over a two-year agreement term, even if licenses are acquired from multiple locations throughout the world.
- **Instant access to software.** You receive a complimentary Select CD-ROM set upon signing your Select agreement, containing the products available within the pool or pools you chose. Select allows you to immediately reproduce and use these Microsoft software products, so you always have access to software when and where it is needed—without having to pre-purchase and store boxes of software or standalone licenses.
- **Convenient license acquisition process.** Select 4.1 is based on a simple transaction model, making software acquisition as easy as buying any other business productivity tool.
- **Obtain software wherever you do business.** You're free to establish multiple purchasing locations—such as various departments or even subsidiaries of your corporation—each with its own purchase decisions. In addition, you can acquire and pay for Select licenses through any of more than 400 authorized Large Account Resellers in over 30 countries worldwide.

- **Investment Protection.**
Our Upgrade Advantage offer gives you the right to

upgrade your software to the current version and keep it current for the term of your Select agreement.

**SELECT PROGRAM
DETAILS**

Select offers tiered, volume-based pricing to large organizations worldwide.

Point Values

Point values are assigned to all products. The point value for a particular product is the same for new, upgrade, and Upgrade Advantage licenses. However, point values differ between products, so your point values will not always equal the number of licenses you acquire. If a product has a point value greater than one, you will still only have the right to make one copy per license for that product.

Your two-year forecast (see Price Levels, below) is measured in terms of total points. For example, if your forecast calls for you to acquire 2,000 points, you can satisfy your agreement by acquiring 2,000 licenses with a point value of one or 1,000 licenses with a point value of two, or any combination totaling at least 2,000 points. Some of the available products and their associated point values are listed in the table below. A complete list of available products and point values is available from Microsoft or your Large Account Reseller.

Product Pools

The products are pooled into one of three groups: applications, systems, and servers. You can combine products within a specific pool to reach lower pricing levels, but acquisitions in one product pool cannot be used to count toward your volume for another pool.

For example, you can combine your points for both Project and Office for the Application Pool, but points for Windows® 98 Upgrade and Windows NT® Workstation Upgrade count separately toward your System Pool volume.

You can acquire Select Software Product licenses from any product pool that you select on your Master Agreement.

Application Pool		System Pool		Server Pool	
Product	Points	Product	Points	Product	Points
Microsoft Access	1	MS-DOS® Upgrade	1	Microsoft SNA Server for Windows NT Server	15
Microsoft Excel	1	Microsoft Windows 98 Upgrade	2	Microsoft SQL Server™ Client Access License	1
Microsoft Office Standard	2	Microsoft Plus! for Windows 98	1	Microsoft Exchange Server	15
Microsoft Office Professional	1	Microsoft Windows NT Workstation		Microsoft Windows NT Server	15
Microsoft Project	1	Competitive/Product or Version Upgrade		Microsoft Windows NT Client Access License	15
Microsoft Word	1				
Microsoft Works	1				

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Price Levels

When you enter into a Select agreement, you will forecast the number of points you expect to acquire over the two-year term of your agreement. This forecast is used to determine your price level.

There are four price levels under the Select program, each determined on a per-product-pool basis. Generally, the more points you acquire, the lower the price level.

Price Level	Microsoft Variable License (Minimum 2-year forecast in points per product pool)
A	2,000
B	8,000
C	20,000
D	50,000

Your two-year forecast is specific to the product pool. For example, suppose you're planning to acquire 5,000 Licenses for Microsoft Office and 2,250 Licenses for Microsoft Windows NT Workstation Upgrade. You would make two forecasts: one for the Application pool and one for the System pool.

Product	Product Pool	Point Value	License Forecast	Total Points	Price Level
Microsoft Office Professional	Application	2	5,000	10,000	B
Microsoft Windows NT Workstation Upgrade	System	2	2,250	4,500	A

Your Select agreement takes into account the points that will be acquired by your entire organization. The price level assigned to the product pool will apply to all licenses acquired under the Select program by your entire organization for that product pool. During the term of your agreement, your forecast is reviewed against your actual "consumption rate", or the rate at which you are actually ordering licenses, and the price level(s) attributed to your Select agreement may be raised to reflect "actual consumption" (the number of license you actually ordered). It is therefore important that the initial forecast be your best estimate of projected use.

Upgrade Advantage

There are a number of upgrade options available to you under your Select agreement, including version and competitive upgrades for some of Microsoft's most popular products.

In addition, Select 4.1 offers Upgrade Advantage, an option previously called "Maintenance", helps you maintain the full value of your software investment by keeping your software up-to-date with the latest product versions. Upgrade Advantage is designed to help you avoid budget spikes when a new version of a product is released.

Upgrade Advantage benefits include:

- **Current upgrade.** You have the right to upgrade all enrolled licenses to the most current version of a product, regardless of the version owned when the license is enrolled in Upgrade Advantage.
- **Upgrade protection.** If Microsoft releases any major or minor upgrades to any enrolled licenses during the term of your agreement, you have the right to install and use those upgrades, as well.
- **Simple payment method.** You have the option of paying up-front for the entire coverage term, or breaking your Upgrade Advantage fee into two annual, non-cancelable payments for acquisitions during the first year of your agreement.

Microsoft does not guarantee upgrades to any product during the term of an agreement. Product announcement estimates and other public or private statements are not a basis for expecting upgrades at any given date.

You can enroll an unlimited number of Microsoft product licenses in the Upgrade Advantage program at any point during your Select agreement, provided the products are part of the same product pool or pools selected on your agreement. Upgrade Advantage expires upon expiration of your Select Agreement.

Select Prices

Estimated Retail Prices for licenses for each product at each price level are established by Microsoft. The actual price you pay for each license will be determined by the Large Account Reseller from whom you acquire your licenses. Prices do not include applicable taxes.

Prices are established by country and may be quoted in the local currency. Although Select pricing is available worldwide, it may not always be available in all currencies.

Prices are subject to change. The most common reasons that prices change are promotional pricing—which is made available for a specified time period—and movements in foreign currency exchange rates. Your Large Account Reseller is responsible for informing you of price changes that may affect your agreement.

Up-Front Payment Option

When enrolling in the Select 4.1 program at the A or B price levels, you can receive up to an additional 10 percent discount by placing an initial order for at least the minimum forecast for that level (per pool). This initial order must be submitted to Microsoft at the same time as the Master Agreement to qualify for the up-front discount.

Outsourcing Option

You can use a third party vendor to finance the acquisition of, or acquire and manage, products for any portion of your organization. To do this, the vendor you use must become a "Select Outsourcer" by completing, signing, and submitting an "Outsourcer Enrollment."

As a Select Outsourcer, the vendor may acquire licenses solely for the purpose of renting, leasing, or otherwise providing licenses to your organization and affiliates during the term of your Master Agreement. As the Select customer, you retain the software usage rights at all times; these rights do not pass to the outsourcer. Please check with your Large Account Reseller for more information about Outsourcing.

SIGNING UP FOR SELECT

The Select agreement is designed to extend the benefits of Select to your entire organization—including all affiliates—with a single agreement. This enables you to capitalize on your total volume purchasing power, whether your affiliates are in a single country or located around the world.

The Master Agreement

The document that sets up the purchasing relationship for the entire organization is the "Master Agreement." This simple document sets the overall terms and conditions of your participation in Select.

You and the contracting Microsoft affiliate will execute a Master Agreement.

The Master Agreement governs the software acquisitions of each customer location that chooses to participate in the agreement. Your affiliates may participate under this Master Agreement. Your "affiliates" are legal entities that you own, that own you, or that are under common ownership with you. The term "ownership" means more than 50% ownership.

You and your affiliates may acquire licenses under the Master Agreement without a separate enrollment, but if purchasing sites wish to choose a different Large Account Reseller, they must sign separate Enrollment Agreements (see below).

The license terms define how you can use the products you acquire under your Select agreement. The terms and conditions, the "Product Use Rights", are a legally binding part of the agreement, and are provided with the Master Agreement.

The Enrollment Agreement

Each location within your organization that wishes to acquire licenses under your Select agreement must either be eligible and listed on the Affiliate Participation Form, or must complete an Enrollment Agreement that designates the Authorized Large Account Reseller from which licenses will be acquired. You can have multiple Enrollment Agreements, depending on how and where you want to acquire licenses.

Each separate enrollment site must acquire at least 500 points of product through the Select program to retain eligibility.

The Address Information Form

You use this form to provide us with the name, address, and contact information we'll need to have about your organization.

Large Account Resellers

You order all licenses from the Large Account Reseller you designate on your Select Master Agreement (or Enrollment Agreement, for separate enrollments). Large Account Resellers are independent companies that can exercise discretion regarding distribution, invoicing, final pricing and collections.

There is no limit to the number of Large Account Resellers you can work with, as long as you have completed an Enrollment Agreement with each of them. However, you must acquire at least 500 points per Enrollment Agreement during the term of the agreement.

In addition to providing you with licenses for Microsoft products, your Large Account Reseller can offer you a number of additional services, such as migration planning, technical support, asset management, and, in some cases, payment options.

You can change your Large Account Reseller at any time during the course of your agreement, as long as you notify us in writing.

AFTER YOU BECOME A SELECT CUSTOMER

Here's how your Select agreement works over the two-year term of the agreement.

The Term of the Agreement

Your agreement begins the day Microsoft signs the Master Agreement (the effective date). The Master Agreement term is 24 full months. If your Master Agreement is signed in the middle of a calendar month, your agreement term will include the remainder of the current calendar month, plus the next 24 months. Your Select agreement term is therefore two years, plus the remainder of the month in which your Master Agreement is accepted by Microsoft.

Keeping your Select Forecast on Track

During the term of your Select agreement, you and your enrolled affiliates must each place an order with your respective Large Account Reseller for each copy of software installed, by the end of the month in which the license is used. The total number of licenses ordered from each product pool is combined to count toward your overall, pool-specific forecast. Microsoft and your Large Account Reseller will help keep you informed of your performance against your two-year forecast. We will check your consumption rate (the rate at which you order licenses) twice during the term of your agreement to make sure that your consumption is in line with the your overall, pool-specific forecast. As a Select customer, you must acquire at least 25 percent of your point forecast per pool by the end of the sixth full month of your Master Agreement, and 50 percent of your forecast per pool by the end of the first full year of your Master Agreement.

For example, if you forecast total acquisitions of 8,000 points, 25 percent of the points, or 2,000, must be ordered through your Large Account Reseller by the end of the sixth month of the agreement; 50 percent (4,000) must be acquired by the end of the first year, with the balance ordered by the end of the second year.

If your aggregate acquisitions for a product pool are less than 25 percent of your forecast at the end of your first six months in the Select program, a price level consistent with your then-current consumption rate will be reassigned to that pool on your Master Agreement. The new forecast level will be effective as of the beginning of the seventh full month and will apply to all licenses acquired through the end of the term of the Master Agreement (unless affected by the first-year check, below).

If your aggregate acquisitions are less than 25 percent of Level A forecast requirements at the end of the sixth month, the Select agreement for that product pool will be terminated as of the 15th day of the seventh month of the Master Agreement.

A second check will be made at the end of the twelfth month of your agreement. At this time, if your aggregate acquisitions are less than 50 percent, a price level consistent with your then-current consumption rate will be reassigned to your Master Agreement.

Just as with the six-month check, if your aggregate acquisitions are less than 50 percent of Level A forecast requirements at the end of the first year, the Select agreement for that product pool will be terminated as of the 15th day of the next month.

ADDITIONAL INFORMATION

The Quarterly Summary

After each calendar quarter of your Select agreement, Microsoft will send you a Quarterly Performance Summary to help you comply with the 6-month and 12-month progress requirements. The Quarterly Performance Summary shows the total number of licenses that have been acquired to date by your entire organization under your Select agreement.

The following information gives you more details about your Select agreement.

Available Products

A wide range of Microsoft products is available under Select. Most of these products are offered in multiple languages and many are available for more than one platform. The Select Product List provides details on available platforms, point values, and other issues relating to specific products. The Select Product List is updated regularly, and can be requested from your Large Account Reseller.

Right To Copy

Once you receive written notification that Microsoft has accepted your Master Agreement or Enrollment Agreement (if a Master Agreement is already in place), you have the right to start making copies of the products from your specified product pool or pools. The Master Agreement provides the terms and conditions of reproducing and using the software. Please review the agreement for details and limitations.

Changing Use Rights

Microsoft reserves the right to change the use rights in the future by amending the Product Use Rights. Generally, such amendments will be made to accommodate the addition of new products or the introduction of new versions of products. These changes would not affect licenses previously acquired.

Orders and Confirmations

You place orders with your Large Account Reseller for every copy of software made under your Select agreement. All orders for licenses must be made by the end of the calendar month in which the license is first used. At the end of each month, we process all orders placed by the Large Account Reseller on your behalf and issue license confirmations.

The license confirmation acts as your primary proof of purchase for all licenses acquired within the specified time period. If you'd like, you can have your Large Account Reseller accept and keep the License Confirmations on your behalf.

Proper Management of Software Distribution

We recognize the importance of making legal software use as easy as possible. One of the benefits of Select is that it makes it easy to procure and install Microsoft software products by offering additional media options and instant usage rights. However, it is your responsibility to track the reproduction and use of products in a way that ensures an accurate number of licenses are ordered from your Large Account Reseller.

As is common within the software industry, when you are given the right to reproduce and use the software on your premises, the vendor of the software has the right to audit you. *Microsoft retains the right to audit you to ensure compliance with the terms of the agreement.*

Documentation

For an additional fee, you can purchase user manuals from your Large Account Reseller for the products acquired under your Select agreement. Note: User manuals may not be available for all products in all countries. Microsoft Press books are also available for many Microsoft products, providing additional documentation options.

Disk Sets

As a Select customer, you have the option of obtaining your Microsoft software in a variety of forms. You will receive one Select CD-ROM disk set upon acceptance of your agreement, and you will receive one subscription for Select CD-ROM updates at no charge. Update Select CD-ROM sets are sent to you approximately every 45 days. In addition, you may also purchase additional disk sets or an additional subscription for your particular product pool(s) and languages through your Large Account Reseller. Some other options for obtaining media include individual product CD-ROMs or disk sets. Contact your Large Account Reseller for details.

Product Support Services

Product Support is not included in the price for products under Select.

We also offer a wide range of fee-based product support offerings through Service Advantage, to help you with your Microsoft product deployment. The terms and conditions for the most popular Microsoft Service Advantage support offerings—Premier and Premier Global—or for Microsoft Consulting Services can be added to your Select agreement if you choose. This optional support addendum allows you to simply have one agreement for both your software acquisition and support. However, just as with the licenses you acquire under Select, separate orders must be placed for any support options you choose to use after the agreement is in place.

THANK YOU.

For more information about Microsoft Service Advantage offerings, please see our Internet site at <http://www.microsoft.com>.

We thank you for choosing Microsoft Select as your volume software licensing program. We're confident that you'll find your Select agreement will help reduce your total cost of software ownership and make it easier to acquire licenses for Microsoft products on an ongoing basis.

The Select program has evolved over time in response to customer needs and requests. We welcome your comments about the program. Please contact your Large Account Reseller, or send your comments directly to Microsoft by using the Feedback section on our World Wide Web site at <http://www.microsoft.com/licensing>.

You can also find more information on the Select program and other licensing options, as well as product, training, and support information at the Microsoft home page, <http://www.microsoft.com>.

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