



Open Licence agreement

[For all audiences]

Overview of Open Licence agreements

- This two-year agreement fixes the price banding of the licences for the duration of the term from the initial date of sale, which simplifies budgeting.
- There's minimal paperwork involved and it's easy to set up: users simply place an initial purchase order and start using the licensed products immediately.
- Buy any further licences as you need them through a flexible, pay-as-you-go model.
- With an Open Licence agreement, you can buy a software licence by itself, add Software Assurance, or you can attach Software Assurance to a boxed software or pre-installed licence.
- An Open Licence agreement is great for users with between 5 and 250 PCs.

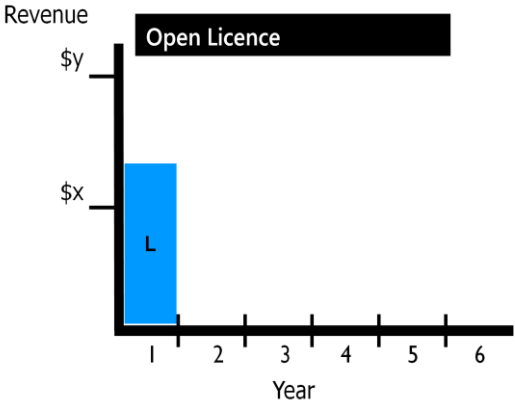
What makes an Open Licence agreement attractive?

- As customers pay for the licence as they use it, there are no credit checks required, which can speed up the transaction
- The fixed price banding delivers real visibility, easing budgeting and improves cash-flow.
- You can share your unique authorisation ID with your affiliated companies to gain the benefit of price discounts across the wider organisation.
- Superior flexibility and cost control: customers can pay for more licences as their business grows, at a set price.
- Easy to deploy and manage: the user can simply download the software directly from Microsoft and manage licences easily with our online tool.

- It's a more flexible licence than boxed or pre-installed software and users have the option to buy a wider range of product versions, ensuring convenient and fast access to thousands of software titles.
- Users who buy Microsoft® Office under this licence receive Microsoft Office Professional Plus 2007 as an upgrade, which includes programs to help you collect and manage data, as well as instant communication technology to drive collaboration
- Great benefits like automatic upgrades to new software versions, the ability to use software at home as a staff benefit, 24x7 problem resolution support and online training courses are included if you opt to add Software Assurance to any licence.
- You can add Software Assurance just to the products that you choose
- Organisations can attach Software Assurance to new boxed software and pre-installed software purchases under an Open Licence agreement within 90 days of the original purchase. This adds the benefits of Software Assurance to the initial boxed or pre-installed licence
- As you can deploy remotely, rather than have to physically install each copy of software, time is freed up during the installation process

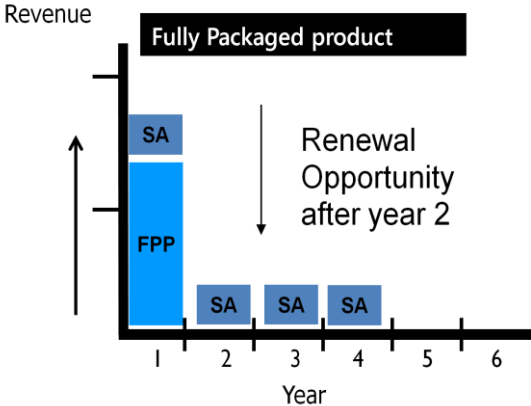
[Version 1 – Software resellers]

Open Licence – revenue streams

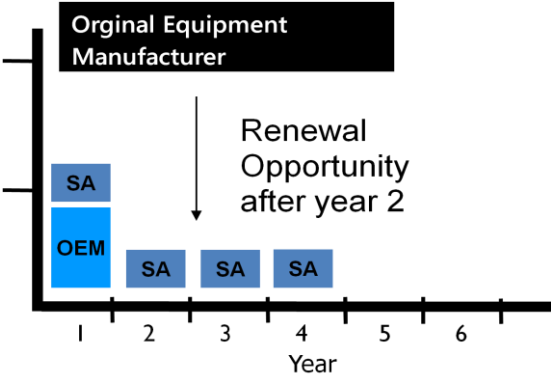


L = Licence revenue

Attaching Software Assurance to pre-installed (OEM) and boxed software (FPP) sales – revenue streams with an Open Licence agreement



L = Licence revenue



SA = Software Assurance* revenue

*Attaching Software Assurance to boxed and pre-installed Microsoft Office and server products means your customers gain Volume Licensing rights, including reassignment of licenses between hardware. This can be an additional revenue stream if they want to buy boxed or pre-installed software and use it in a more flexible way.

Note: The pre-installed and Volume Licensing Windows® Desktop Operating System Upgrade License lives and dies on the original machine, it can never be reassigned or transferred off the machine, even if you add Software Assurance. The Software Assurance licence can be reassigned from the old PC to a new PC provided that the new PC has the most current operating system installed; only boxed software (FPP) can be reassigned/transferred.

The Software Assurance coverage must be rolled into an existing Volume Licensing agreement, or customers can start an entirely new agreement. This must be done within 90 days of license purchase.

Why should you sell it?

Selling an Open Licence agreement gives you immediate and long-term revenue benefits: both equally critical in today's tough business climate.

Profit right now

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| <p>No need for forecasting There is no need to forecast future purchases, allowing customers to buy what they want right now.</p> | <p>Faster sales as no credit check needed As customers pay up front for their software, there is no requirement for a credit check, which can delay the sale.</p> | <p>Reduce management and installation time You could support customers to manage their licences online using our eOpen tool. It makes managing and deploying multiple licences easy, and you could even propose a fee for this service.</p> |
| <p>Get cash now As payments are made up front, you receive the cash as it is paid</p> | <p>Make more money and reduce the restrictions of boxed or pre-installed software Attaching Software Assurance to boxed and pre-installed Microsoft Office and server products means your customers gain Volume Licensing rights, including reassignment of licenses between hardware. This can be an additional revenue stream if they want to buy boxed or pre-installed software and use it in a more flexible way.</p> <p>Note: The pre-installed or Volume Licensing <u>Windows desktop operating system licence</u> lives and dies on the original machine, it can never be</p> | |

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| | reassigned or transferred off the machine, even if you add Software Assurance. The Software Assurance licence can be reassigned from the old PC to a new PC provided that the new PC has the most current operating system installed; only FPP can be reassigned/transferred. | |
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Build essential long-term revenues

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| <p>Agreement can be used across the organisation Once a customer has started an Open Licence agreement, other companies within the wider organisation can make purchases through it, opening up further revenue opportunities for you.</p> | <p>Be the first port of call for follow-on sales Because customers need to pay for software each year, they are likely to come back to you over the two-year period to make any additional purchases; and under the terms of their contract, they can buy a whole range of other Microsoft software through the same agreement, giving them real incentive to spend with you.</p> | <p>Easily add new pre-installed licences into your customer's agreement As your customers buy new PCs, you can help add Software Assurance to these with an Open Licence agreement, so that they gain immediate Software Assurance coverage – and you gain extra revenue. You also then have an opportunity for renewal revenue in two years' time.</p> |
| <p>Drive hardware and application sales Customers have the right to automatically upgrade to new versions of software as part of their Software Assurance coverage. This can open up new hardware and application sales for you, as new versions of products are released by Microsoft, such as Windows 7.</p> | <p>Stimulate renewal Helping customers activate and use their Software Assurance benefits can increase the chance of renewal – particularly with benefits that are great for staff, such as allowing each employee using a licensed PC at work to run Microsoft Office 2007 on a home PC, or the right to purchase Microsoft products at a discount.</p> | <p>Expand sale across Europe, the Middle East and Africa (EMEA). This agreement can cover territories across Europe, the Middle East and Africa, allowing you to earn revenue from your customers' software needs in other countries.</p> |
| <p>Add on software asset management services Selling software asset management services is a great way to drive extra revenues.</p> | <p>Make more after two years Customers that have chosen to buy Software Assurance coverage have the option to renew it at the end of their agreement in order to continue making use of the benefits: another revenue opportunity stored up for you.</p> | |

Opportunities relating to specific products

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| <p>Multiple servers Where your customers are using a number of server products, you can check to ensure they have the relevant Client Access Licences (CALs). Small/mid-sized customers may need Small/Essential Business Server CALs. Larger customers may benefit from buying the Core or Enterprise Client Access Licence suites, which will drive revenue for you.</p> | <p>Core Client Access Licence (Core CAL) and Enterprise Client Access Licence (ECAL) suites Drive server sales where a customer has the Core or Enterprise Client Access Licence suite. If a customer has rights to access a server, but has not purchased it yet, you have an opportunity to sell them the relevant server licence.</p> | |
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Microsoft Financing

Introducing Microsoft Financing into your sales conversation can help you speed up the sales process and increase deal sizes. Customers not only have access to credit terms that may not be available elsewhere, they can also include non-Microsoft hardware and software in the deal and choose from a range of payment options, including monthly or quarterly.

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| <p>Secure bigger deals Discuss Microsoft Financing early in the sales process so that customers are aware they can choose an affordable payment structure versus a large upfront payment – enabling them to focus on buying the best IT solution for their business.</p> | <p>Close deals faster When you introduce financing early in the sales cycle, you avoid financial discussions and negotiations at a later stage that can slow the deal down or stop it altogether, wasting any time and effort you've already invested.</p> | <p>Get paid upfront You get paid for the full amount of the deal as soon as Microsoft Financing receives the completed loan documents.</p> |
| <p>Offer more flexibility Customisable financing options enable you to work with your customer to put together a financing package that works best for their business.</p> | <p>Easily add new products or services If your customer wants to upgrade or an unexpected business need arises, they can simply add it to their existing contract.</p> | |

What our partners are saying about Microsoft Financing:

"We love having Microsoft Financing as an option. Without using it, the sales cycle took longer and customers weren't always able to do what they wanted when they wanted." Danielle Hefner, Marketing Specialist, J4 System

"Microsoft Financing made it so easy for all involved. We now introduce Microsoft Financing into every Volume Licensing opportunity that we quote." Jamie Armanini, Business Development Manager, SoftwareOne

"I am already seeing repeat business due to the financing. A customer just contacted me to say they wanted to add five desktops to their existing contract." J Alejandro Rosado Jr, CEO/Owner, 12:34 MicroTechnologies

Calls to action

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| <p>Visit the Partner Portal to find out more about:</p> <p>Training options, licensing calculators, more detailed outline of the licensing programmes</p> <p>Web address: https://partner.microsoft.com/UK/licensing</p> | <p>Contact AskPartner if you want to discuss anything, or have questions</p> <ul style="list-style-type: none">▪ Visit www.microsoft.com/uk/partner/askpartner▪ Call AskPartner on 0844 800 6006▪ Email us: askpartner@microsoft-contact.co.uk |
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[Version 2 – Solution partners]

Why should you sell it?

Selling an Open Licence agreement lets you work closely with customers to open up a range of service and solution sale opportunities. These will add great value for customers and generate revenue for you in both the short and long term: both equally critical in today's challenging economy.

Profit right now

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| Increase customer funds for your services Customers have the option to take Software Assurance or not, which could free up money to spend on services with you. | Drive hardware and application sales Customers have the right to automatically upgrade to new versions of software if they have Software Assurance coverage. This can open up new hardware, application and service sales for you as new versions of products are released by Microsoft, such as Windows 7. |
| Reduce installation time and costs Customers can simply download most of their software directly from Microsoft using the eOpen site – which means you reduce your costs and increase your margins. No manual install also means that your consultants are freed up to drive services revenues elsewhere. | Opportunities from greater product functionality Where customers have the rights to use additional technology as part of their agreement, such as when they have an Enterprise edition of a server, but are only using some of the technology available, you can make money by helping them test and then deploy it. |

Benefits relating to specific products

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| Core Client Access Licence (Core CAL) Where customers have the right to access multiple servers under a Core or Enterprise Client Access Licence suite or Small/Essential Business Server Client Access Licence suite, could they benefit from deploying further servers? If so, that could mean more revenue for you. | Enterprise or Premium edition servers Where customers have rights to Enterprise or Premium edition servers, is there functionality that they are not using that you could help them deploy? |
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Build essential long-term revenues

A range of Software Assurance benefits can be added under an Open Licence agreement, storing up new revenue opportunities for you down the line:

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| <p>Help customers see the value of automatic software upgrades by selling related deployment, software testing and service support, hardware and applications to help them make the most of these newer versions of software. <i>(New Version Rights)</i></p> | <p>Round-the-clock expert support* helps customers overcome potential concerns about the challenges of adopting new IT – and you can offer to manage these support calls as part of a wider problem resolution service package. <i>(24x7 Problem Resolution Support)</i></p> <p>* 1 phone support incident per \$20k server and Client Access Licence spend. 1 phone support incident per \$200k Windows operating system and Microsoft Office application spend. 1 complimentary phone support incident for customers with one server licence covered with Software Assurance.</p> |
| <p>E-Learning online technical training modules let you add value by offering training support and ensuring that customers boost productivity, lower training costs and start reaping the benefits of their new Microsoft software. <i>(E-Learning)</i></p> | |

Benefits relating to specific products

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| <p>Microsoft Office Where you have sold Microsoft Office, each licensed user can run Microsoft Office 2007 on a home PC, helping you drive additional laptop, peripherals, unified communications, security and remote access solution sales. <i>(Home Use Programme)</i></p> | <p>Microsoft server purchase One cold backup licence for disaster recovery enables customers to install one instance of the software on a cold server – giving you an ideal opportunity to make a follow-up call after the initial sale about your own disaster recovery services. <i>(Cold Backups for Disaster Recovery)</i></p> |
| <p>Included Functionality Products that you might otherwise buy via a third party (eg hardware encryption software) are often included (eg BitLocker™, as part of Windows 7 Enterprise for hardware encryption).</p> | |

Windows operating system licences
 Your customer is entitled to an automatic upgrade to Windows 7 Enterprise – available exclusively through Software Assurance — with each Windows Client licence, giving you four distinct opportunities:

- **Provide services to support your customer’s wider data protection strategy** by helping configure and deploy Windows BitLocker™ encryption on portable PC hard drives.
- **Take advantage of Multi-lingual User Interface** where customers are deploying across multiple countries, reducing the number of images they use by configuring a single worldwide image across 36 user interface languages.
- **Offer application compatibility services** to help customers upgrade their operating system using the rights to four virtual operating systems and a subsystem for UNIX-based applications.
- **Drive additional services revenue around desktop and application virtualisation** where your customer has bought the Microsoft Desktop Optimisation Pack.

Microsoft Financing

Introducing Microsoft Financing into your sales conversation can help you speed up the sales process and increase deal sizes. Customers not only have access to credit terms that may not be available elsewhere, but they can also include non-Microsoft hardware, software and services in the deal and choose from a range of payment options, including monthly or quarterly.

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| <p>Customers can afford a complete IT solution With Microsoft Financing, your customers are able to purchase software, services, hardware and third party products on payment terms they can afford.</p> | <p>Deliver a long-term solution Microsoft Financing makes it easier for you to recommend long-term solutions, versus budget-driven quick fixes.</p> |
| <p>Meet the needs of all businesses Customers big and small can finance their IT solutions with Microsoft Financing because of our simple financing programmes – covering a complete range of IT needs, starting from a low minimum loan amount.</p> | <p>Strengthen your trusted advisor status Watch your customer satisfaction grow and relationships strengthen when you and your customers move towards a longer term, strategic discussion that takes both IT needs and budgets into consideration.</p> |

What our partners are saying about Microsoft Financing:

“Small businesses today are looking for us to meet all of their IT needs. They want to make more money and make their people more efficient without straining their wallets. Microsoft Financing makes it possible. Using Microsoft Financing, our solutions can become self-funding and have little or no negative effect on the customer’s cash flow. Identifying this early in the sales cycle creates greater buy-in from the prospective clients and increases their enthusiasm, and therefore project momentum.”

Jeremy Harding, Sales and Marketing Director, Technology Management

“Microsoft Financing understands our customers and the challenges they face in acquiring IT solutions. They have the flexibility to help our customers by structuring transactions to fit the customers’ needs.”

Mark Hodson, Leasing Finance Manager, Softchoice Corporation

Calls to action

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| <p>Visit the Partner Portal to find out more about:</p> <p>Training options, licensing calculators, more detailed outline of the licensing programmes, how to find a partner with licensing expertise</p> <p>Web address: https://partner.microsoft.com/UK/licensing</p> | <p>Contact AskPartner if you want to discuss anything, or have questions</p> <ul style="list-style-type: none">▪ Visit www.microsoft.com/uk/partner/askpartner▪ Call AskPartner on 0844 800 6006▪ Email us: askpartner@microsoft-contact.co.uk |
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[Version 3 – customers]

Why would I consider an Open Licence agreement?

The Microsoft Open Licence agreement is for organisations who want to buy a minimum of 5 application or operating system licences, 5 SA, or one server processor licence. The 'pay as you go' structure of this agreement allows you to adapt your purchases to match your business needs. Adding in the flexibility of Microsoft Financing – so you can pay monthly or quarterly – means you can also tailor payments to suit you.

Your price level is based on your initial order and is fixed over the two year agreement, so you can buy further products at a totally transparent cost and have the flexibility to deploy when you want. Please note that any Software Assurance coverage you buy only lasts until the end of your agreement.

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| Pay for software as you go You pay for products as you go, enabling you to budget specifically for each purchase. | Simple choice at the end of your agreement You own the licences at the end of the agreement, so your only choice is whether to continue your Software Assurance coverage or not (if you have bought Software Assurance). | Easy deployment Deploy software products as you need them, saving time. As you can deploy remotely, rather than have to physically install each copy of software, time is freed up during the installation process. |
| Buy software for companies across Europe, the Middle East and Africa (EMEA). You can purchase in territories across Europe, the Middle East and Africa under this one agreement, giving you further discounts and keeping management simple | Buying Software Assurance: your choice With an Open Licence agreement, you can choose to add Software Assurance to each of your licences as you buy them, or not, according to business need. | Straightforward licence management Reduce management burdens using our online management tool – the Volume Licensing Service Centre – which greatly simplifies the remote deployment and administration of licences. You can use this yourself, or authorise your trusted partner to manage it for you. |

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| <p>Easier purchasing You can also buy multiple products under one licence agreement, helping you and your partner keep track of what software you have – saving you time-consuming administration. This will help you avoid paying for software that you don't use and, armed with this knowledge, you'll be in a stronger position when you come to make your next annual payment.</p> | <p>Be able to transfer boxed and pre-installed software between hardware Attaching Software Assurance to boxed and pre-installed Microsoft Office and server products means you gain the right to reassign licences between hardware, plus benefit from Volume Licensing rights. This reduces the number of licences you need to buy as you purchase new hardware.</p> <p>Note: The pre-installed or Volume Licensing <u>Windows Desktop Operating System</u> lives and dies on the original machine, it can never be reassigned or transferred off the machine, even if you add Software Assurance. The Software Assurance licence can be reassigned from the old PC to a new PC provided that the new PC has the most current operating system installed; only FPP can be reassigned/transferred.</p> | <p>Be able to transfer boxed and pre-installed software between hardware Attaching Software Assurance to boxed and pre-installed Microsoft Office and server products means you gain the right to reassign licences between hardware, plus benefit from Volume Licensing rights. This reduces the number of licences you need to buy as you purchase new hardware.</p> <p>Note: The pre-installed or Volume Licensing <u>Windows Desktop Operating System</u> lives and dies on the original machine, it can never be reassigned or transferred off the machine, even if you add Software Assurance. The Software Assurance licence can be reassigned from the old PC to a new PC provided that the new PC has the most current operating system installed; only FPP can be reassigned/transferred.</p> |
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What generic advantages does Software Assurance offer me?

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| <p>Help staff learn to use new software easily Help users get up to speed with new technology quickly to allow staff to get the most from the software they have. E-learning gives you access to flexible and self-paced learning developed by Microsoft. These courses are available for employees to take at any time to suit them.</p> <p><i>E-learning value: \$49-62 per user.</i></p> | <p>Smooth, instant updates You'll gain automatic upgrades to new versions of our software for no extra cost.</p> | |
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Software Assurance benefits for specific products

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| <p>Improve productivity and staff retention when you buy Microsoft Office Take advantage of the proven productivity benefits of flexible working and offer a great staff benefit with our Home Use Programme – allowing each employee using a licensed desktop at work to run Microsoft Office 2007 on a home PC. This is also a cost-effective way for you to offer a valuable benefit that will aid recruitment and retention of staff.</p> | <p>Pre-paid training available when you buy 50 Office applications or Windows Client licences Worried about training? We've thought about that too. To help you get users up and running quickly and make your training budgets go further, you receive two days of free training for every 50 Office application licences (up to 10 days) and one day of training for every 50 Windows Client licences. Our powerful online technical e-Learning modules are also included in this package.</p> | <p>One cold backup licence for disaster recovery with each server licence You're entitled to run one licence on a cold server for backups and disaster recovery – bolstering your wider data protection approach.</p> |
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| <p>Outstanding 24x7 support* Round-the-clock expert support helps you minimise expensive downtime.</p> <p>* 1 phone support incident per \$20k server and Client Access Licence spend. 1 phone support incident per \$200k Windows operating system and Microsoft Office application spend. 1 complimentary phone support incident for customers with one server licence covered with Software Assurance</p> <p>Value of 24x7 support \$750-\$1,000 per incident †</p> | <p>Extended hot-fix support* Extended hot-fix support also helps you reduce support costs and delivers real peace of mind that your technology is updated, secure and working optimally when software switches from Mainstream to Extended Support**.</p> <p>*You'll need a Premier Support agreement to receive this benefit. ** <i>Mainstream Support</i> - given for the first 5 years of a product's life. Updates include: fixes all known bugs in a program; patches critical and non-critical holes in the program, and makes enhancements to a program as times change. This can include adding new features. Technical support for the product is offered. <i>Extended Support</i> - lasts for an additional 5 years, is a reduced support plan. Only critical bugs and security holes are fixed, no new features are added, and technical support is only available on a pay-per-incident plan.</p> | |
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Automatic upgrade to Windows 7 Enterprise

As part of this upgrade – available only with Software Assurance – you can access a range of technologies to help you:

- **Streamline effectiveness and bolster security**

Windows 7 Enterprise lets you improve application compatibility across the company, streamline the creation, deployment, and management of multiple desktop configurations and support mobile workforces while protecting corporate data. Specifically, you can access Windows BitLocker Drive Encryption to help prevent damaging data loss and safeguard your company's reputation.

- **Deliver seamless migration and integration**

Iron out compatibility issues related to new software and security with Windows 7 Enterprise. This lets you upgrade smoothly to the latest desktop platform while cost effectively continuing to use other applications. You also gain improved application compatibility and integration between Windows and UNIX/Linux environments, with the rights to four virtual operating systems and a subsystem for UNIX-based applications.

- **Ease worldwide deployment**

Windows 7 Enterprise greatly reduces the cost and complexity of a global IT infrastructure by providing Multi-lingual User Interface language packs for worldwide deployment, letting you configure a single worldwide image across 36 user interface languages.

You also have the option to buy an add-on pack of technologies, that allows you to virtualise both applications and your full desktop environment, as well as monitor, report and fix desktop errors more efficiently (known as the Microsoft Desktop Optimisation Pack). In addition, a Windows 7 Enterprise Centralised Desktop subscription provides flexible licensing for virtualised desktop infrastructures or hosted desktop architectures.

How can Microsoft Financing help?

Microsoft Financing offers affordable and predictable financing from trusted advisors that work with you. We help businesses buy the software, services, partner products and hardware they need to be more efficient and help cut costs*. There is no down payment needed and terms range from two to five years to suit you.

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| Better cash flow Microsoft Financing helps improve cash flow by aligning payments to your budget cycle and removing the large, upfront cost normally associated with IT purchases. | Competitive interest rates Depend on a competitive, fixed interest rate when you choose Microsoft Financing. |
| Cover all your IT needs We make it affordable to finance all of your IT needs in one place: <ul style="list-style-type: none">▪ Microsoft products▪ Services such as deployment, maintenance and training▪ Hardware▪ Partner/non-Microsoft products | Flexible contracts <ul style="list-style-type: none">▪ Customise payments to fit to your budget, for example monthly, quarterly, annually or deferred▪ Choose terms from two to five years based on your preferences or needs |

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| <p>Preserve lines of credit with your bank Banks don't typically give loans for software purchases, and credit can be hard to come by. Avoid using precious overdraft facilities and other lines of credit by using Microsoft Financing. That way you can have the best of both worlds: take care of your IT spend and maintain your existing credit for when it's needed.</p> | |
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* As with any loan, this is subject to a successful application.

What our customers are saying about Microsoft Financing:

"They (Microsoft Financing) were willing to – in full – finance the entire software and implementation. They were exceedingly responsive and very easy to deal with." Amy Sabala, Senior Director Corp Finance, Hampton Products

"It took about four working hours to get back to us with a decision in principle. It was extremely simple and quick."
 Mal Brannigan, Finance Director, Coventry City Football

Calls to action

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| <p>Visit the Microsoft licensing website to find out more about:</p> <p>The basics of licensing, full pdf guides, details on finding a partner to work with, licensing calculators, more detailed outline of the licensing programmes</p> <p>Web address: www.microsoft.com/uk/licensing</p> | <p>Contact Microsoft if you want to discuss anything, or have questions</p> <ul style="list-style-type: none"> ▪ Call AskPartner on 0844 800 2400 ▪ Email us: AskBusiness@microsoft-contact.co.uk |
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