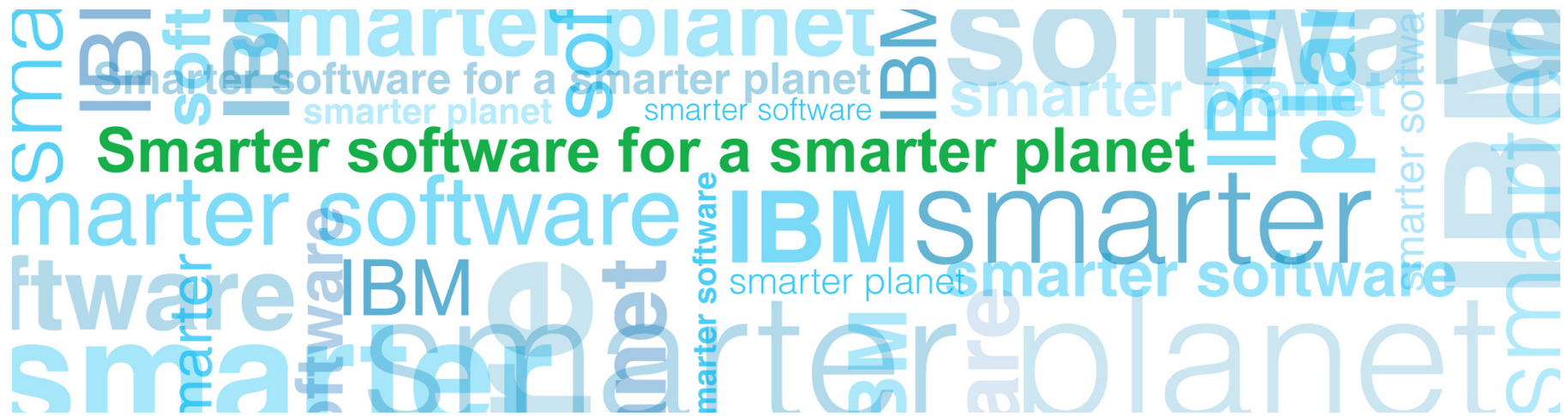


Passport Advantage Revision 2011





Objective of this Session

- Brief all sellers on new Passport Advantage and Passport Advantage Express Agreements
 - Come into effect July 18, 2011
- Current PA customers will be notified by email (and/or by physical mail in some countries) beginning April 18, 2011

Background and History

- Passport Advantage program announced in May, 1998
 - Between 1998 and 2005, changes were made to the program and the underlying agreement approximately every 18 months
 - Agreement became ‘evergreen’ and technical support with subscription and included with every new license acquisition (October 2001)
 - Created Passport Advantage Express (May 2003)
 - Introduced Fixed Term Licenses, autorenewal, and Selected Support (2005)
- Since 2005, no new revisions of the agreements have been implemented
 - Additional “terms” needed have been handled by attachments, addendums, or special bids, For example, Subcapacity Attachment in April 2005
 - New “go to market” models such as SaaS have also been implemented with attachments and sometimes complex processes requiring signatures from customers
- The 2011 revision is simply bringing together all of the separate functions that exist in multiple separate sets of add-on terms into one agreement, and generally bringing it up to date



Revision Scope

- Expansion of Base Agreement Terms
 - Consolidation of attachments

- Functional enhancements

- Housekeeping updates

Expansion of Base Agreement Terms

- Approach to revision
 - Retain existing contracting structure
 - Incorporate existing and widely-applicable sets of terms into base
- Subcapacity or Virtualization licensing terms (section 3.2 of Agreement)
 - No change to terms that were in the separate attachment
 - All enrolments since April 2005 have had these attached by default
- SaaS terms (Part 5 of Agreement)
 - Today for LotusLive, etc. but many more offerings from Sterling Commerce, Unica and CoreMetrics coming very soon
- Appliance terms (Part 4 of Agreement)
 - Guardium appliances in PA today and many more to come

Significant enhancements

- “all or nothing” S&S requirement
 - Per product per site
 - For licenses that are “in service” = “being used in any way for any purpose whatsoever”
 - Trust, as today, but subject to audit
- Removal of 500pt entry requirement (PA only)
 - Provides customer choice (PA or PA Express) regardless of initial order size
 - Accommodates smaller customers who want a single renewal per year
 - Addresses the discounting needs of customers who will start small but expect to grow
- Coverage for upcoming enhancements to support delivery models
 - Development of more, and more sophisticated, self help and self diagnosis tools
 - Shift toward more electronic support models – efficiencies for both customers and IBM

Housekeeping Updates

- Reorganized structure of agreements
 - Incorporate many features of IICA and IPLA – common look and feel
 - Definitions all in one place
 - Bring similar terms applicable to different types of offering together, e.g. warranty
- Relationship agreement structure clarifications (PA only)
- Added many more autorenewal countries
 - Japan, Brazil, Mexico, China, Korea, India, Russia, plus many others
- Compliance and audit wording updates and improvements (e.g., section 1.16)
 - Experience of the compliance teams has shown we had some gaps
- Tax liability wording improvements (section 1.7)
- CEO wording improvements for clarity (section 3.4)

Help

- Passport Advantage Coordinators/Consultants in each IOT
 - Your first point of contact is your local Passport Advantage Coordinator/Consultant or focal point. To help you locate your local resource, please visit the Passport Advantage page on the [Software Sellers' Workplace Passport Advantage page](#) and look under “Geo Passport Advantage pages” in the right column
- Project office email address to SWG HQ in Somers
 - First point of contact is your PAC, but they will also have access to a secondary resource via Notes at a task ID which will be monitored daily: **WW AskPA/Somers/IBM**

Questions?