

Dear Customer,

This letter is to advise you of upcoming changes in the support programs available for ICMS customers. We are committed to meeting your needs, and many of your suggestions have been incorporated into the new programs. The changes fall into three categories:

1. Increase in the number of support options, giving you more flexibility to match support to your needs;
2. Simplification, via a move to worldwide support standardization; and
3. Product Life advice, helping you provide the most appropriate support and upgrade path for your company.

1. ICMS Product and Support Options and Costs in 2000 and 2001

IBM is pleased to announce a number of expanded options regarding ICMS version 5, plus several new options for versions 3 and 4. Support Options for versions 3, 4 and 5 begin with Base Support, which is normal support coverage for 8 hours per day [based on your regular work day in your time zone] and five days per week.

You may choose our Expanded Coverage option for any of these versions which provides for coverage 24 hours per day, 7 days per week. IBM Standard Holidays are excluded for Base Support and Expanded Coverage Options. Your local ICMS sales representative can provide the holidays specific for your location.

In addition to the above options, IBM offers an Upgrade Protection option for version 5 customers only. With this option, you are assured access to each new release of ICMS at no additional license fee assessment. You must have this option continuously under contract from the time you initially begin paying for support charges on version 5.

Support Charges are based upon your ICMS Software License Fee (SLF). The SLF is the current retail value of your license entitlement, and is based on the number of seats you are currently authorized for based on your initial purchase of ICMS plus any uplifts associated with growth and/or additional services added since your initial purchase. Your local ICMS sales representative can provide you with your current entitlement information and the associated SLF.

The prices in 2000 for each of the Support Options for ICMS are:

- Base Support: 15% of SLF
- Expanded Coverage: 6% of SLF [in addition to Base Support]
- Upgrade Protection: 3% of SLF [in addition to Base Support --only available on version 5]

As noted, Base Support is a prerequisite for each additional option.

Effective January 1, 2001, there will be an increase in the Base Support charge for versions 3 and 4 only. The new cost will be 19% of SLF. All other options will remain the same as shown above. .

The ICMS team has developed a support option for one additional key support area -- Custom Modifications. IBM will provide support for those modifications done by IBM which are specific to your implementation. Additionally, IBM will offer support for "Local Modifications" which may not have been done by IBM, if IBM determines that we are able to support these Local Modifications.

This option offers you the opportunity to budget for the cost of supporting your modifications as well as the base system of ICMS. The cost for this option is prepared as a Special Bid price and is based on the number of objects changed within ICMS and the overall complexity of the specific changes made. More specific information on this unique option and its cost is available from your local ICMS sales representative. This Custom Modification Support option is available for ICMS versions 3, 4, and 5, and requires Base Support.

2. ICMS Standardization of Support Terms and Conditions

In order to ensure effective issue prioritization and consistent treatment across our expanding base of customers worldwide, IBM has standardized common terms and conditions for support agreements based on the ICMS release level. This approach is consistent with that used within IBM for many other software programs. By standardizing support terms, the ICMS team is better able to provide you with a more efficient and timely service. You will see these new terms and conditions presented when you renew the support agreement for ICMS. A copy of the revised Addendums for Support for IBM Integrated Customer Management System is attached. These attached addendums specify the new terms and conditions for [A] version 5 (covering Version I5.0) and [B] versions 3 and 4 (covering Versions and releases up to an including I4.01). .

3. End Of Service Life (EOSL) dates for ICMS releases

In response to requests for formal support of ICMS to be extended beyond the minimum 6 months notice of withdrawal of support period, currently contracted, for previous versions and releases IBM has established an End of Service Life for each release and version, in line with IBM's other products. The published End of Service Life date when formal support will cease for ICMS versions 3 and 4 is December 31, 2002. This means that the base ICMS annual support agreement can be ordered or renewed up until December 31, 2001. If your annual support period terminates between these December 31, 2001 and December 31, 2002, a partial support period can be contracted for with an expiration date of December 31, 2002 at a prorated cost.

Support for ICMS versions 3 and 4 subsequent to December 31, 2002 can be negotiated on an individual basis via your local ICMS sales representative. The continual evolution of ICMS brings new functions and features with each new Version and Release that provide new and exciting opportunities for all our customers. It is our intention to help you continually progress forward onto the most current version of ICMS so you can take advantage of the functions available and the tool kits supporting an upgrade are continually being enhanced; thus, we will strive to make this an attractive option for you on an ongoing basis. Some of the new Support Options described in this letter indicate some of the new ways we have made this possible.

The ICMS team appreciates your continued interest in the many ways that we can improve our offerings, as well as the support associated with this critical component of your business. If you would like to further discuss any of the options and/or changes noted in this letter, or in the attached addendums, please contact your local ICMS Sales Manager for your geography.

Kind Regards,

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