



IBM Software Group

Passport Advantage and Passport Advantage Express

IBM's license acquisition and Software Subscription and Support programs for distributed software *As of 9 May, 2008*



Purpose of this presentation:

To help you

- Understand the Passport Advantage Program and ...
- Understand the Passport Advantage Express Program



Passport Advantage : Two Acquisition Models

★ Passport Advantage Express

- ▶ Primarily for Small and Medium Businesses (SMB)
 - ✓ Simple acquisition
 - ✓ Single site
 - ✓ Transactional model
- ▶ Can be used within larger enterprises - for specific departmental solution acquisitions, etc.

★ Passport Advantage

- ▶ Addresses the needs of larger and more distributed enterprises
 - ✓ Multi-site
 - ✓ Multi-national
 - ✓ Relationship model



Passport Advantage Express

★ Simple Acquisition Model

- ★ Focused on SMB customers
- ▶ Available to all channels of acquisition:
 - ✓ Business partners (BPs)
 - ✓ IBM Direct
- ▶ Single price level; BP sets final customer price
- ▶ Simple licensing model
 - ✓ End-User License Agreement style



Passport Advantage Express

★ Simple Acquisition Model for SMB customers

- ▶ Transactional acquisition
 - ✓ Single site only
 - ✓ No points, No aggregation
 - ✓ Software Subscription and Support coverage for 12 months included with all new licenses
 - ✓ Continuously renewed unless declined by customer
 - ✓ Each transaction has its own "Anniversary"
- ▶ BP sets actual customer price
- ▶ Common tools with Passport Advantage



Passport Advantage Express

- ★ Uses same product list, product options, and part numbers as Passport Advantage
- ★ Includes part numbers for:
 - ✓ Standard per product portfolio
 - ✓ CEO - Complete Enterprise Option
 - ✓ Fixed Term licenses for select products
 - ✓ Sub-Capacity licenses for select products
 - ✓ Selected Support for some Open Source and other non-warranted code

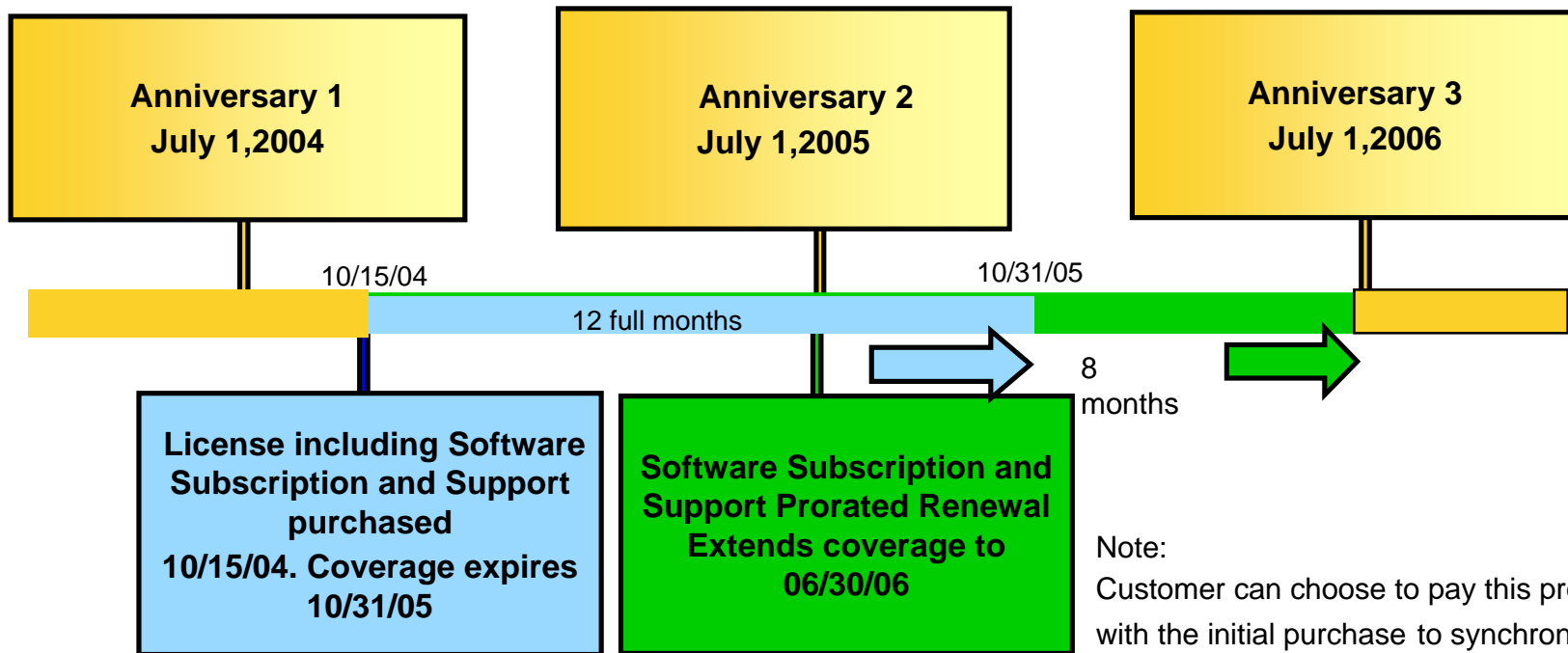


Passport Advantage

- Program Eligibility
 - ▶ New agreement enrollments require minimum of 500 points (equivalent to approx US\$100K) initial purchase
- Software Subscription and Support
 - ▶ Included with all new licenses
 - ▶ Continuously renewed unless declined by customer
 - ▶ Prorated renewals, when needed to sync up to customer's Anniversary
 - ▶ Customer choice - to sync up with Anniversary
 - at time of license purchase
 - or at Anniversary renewal



Passport Advantage



Passport Advantage

■ Price Levels

- ▶ RSVP Levels D through H
- ▶ RSVP Level BL - 'grandfathered' level for customers at RSVP Levels A, B, or C prior to May 5th 2003, and also for customers who fall below RSVP Level D due to normal program rules
- ▶ SVP for any given transaction is the better of the customer's RSVP or the SVP applicable to the points being acquired on any given transaction
- ▶ "Instant" RSVP recalculation is performed after every transaction (to determine if customer can be "up-levelled")
- ▶ Anniversary RSVP recalculation (up, same, or down) based on last term's purchase history
 - Maximum allowable down-level per Anniversary is 1 RSVP Level



Passport Advantage - Government & Education

- ★ All eligible Government & Education customers must use Passport Advantage to get their special pricing and terms



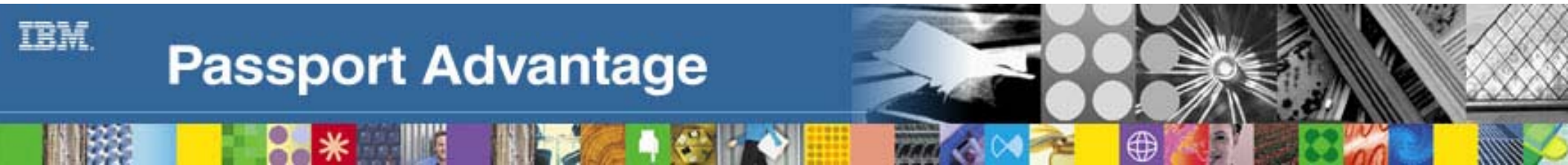
PA Express vs. PA Comparison:

Attribute	Passport Advantage Express	Passport Advantage
Customer Set	Small & Medium	Distributed Enterprises
Purchase Model	Transactional	Relationship
Site Coverage	Single	Multi-Site; Multinational
Agreement Signature Requirements	None	Not required in most countries
Entry Level	No minimum	500 PA 'Points'
Price levels	One: SRP	Seven: D thru H plus Government and Academic
'Points' Aggregation	Not Applicable	Yes; All orders
Price Level Recalculation	Not Applicable	After each transaction and at Agreement Anniversary
Transaction Pricing	SRP only	Better of RSVP or SVP of each order based on points value of the order



PA Express vs. PA Comparison:

Attribute	Passport Advantage Express	Passport Advantage
SW Subscription and Support Coverage	Included with all new licenses	Included with all new licenses
SW Subscription and Support Proration	Not Applicable	Yes, to sync with Anniversary
SW Subscription and Support Autorenewal	Yes, in most countries	Yes, in most countries
Code Provision	Download or physical available	Download or physical available
Program Deliverables	Proof of Entitlement, Welcome Kit, Support Welcome Letter, SW Subscription and Support Renewal notifications	Proof of Entitlement, Welcome Kit, Support Welcome Letter, SW Subscription and Support Renewal notifications
Online tools	Tutorial, Brochures and FAQs, Access to PoEs, Downloads	Tutorial, Brochures and FAQs, Access to PoEs, Downloads
Routes to Market	IBM Direct, Business partners	IBM Direct, Business partners



Software Upgrades: "on demand"

- Each time an upgrade becomes available for customers with active Software Subscription and Support
 - ▶ An e-Notification is sent to the Primary Contact and any other contact the customer designates and any other contact the customer designates

- Three options are available for these upgrades:
 - ▶ Download - from Passport Advantage Online
 - ▶ Order the Media at no additional cost - from PA Online
 - ▶ Take no action at this time - make a choice when needed!



Electronic Proofs of Entitlement

- ▶ Electronic delivery of Proof of Entitlement (PoE) documents
 - Via Email
 - Also available on Passport Advantage Online
 - Should be printed and saved
- ▶ PoEs are sent to:
 - The Administrative contact
 - In some cases may be sent through channel partners
- ▶ Electronic Proofs of Entitlement should be printed and saved

