

Novell Buying Programs: Volume License Agreement

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VOLUME LICENSE AGREEMENT PROGRAM GUIDE

The Volume License Agreement (VLA) is the most basic of the Novell Buying Programs. Regardless of your purchase amount, the VLA provides you with an easy and affordable way to purchase your Novell solutions without the commitment of a signed contract. You'll also receive access to valuable benefits such as technical support and electronic training. If you are looking for an easy, transaction-based process with the flexibility of acquiring licenses from a broad reseller channel and no minimum purchase requirement, the VLA is a perfect fit for you.

Establishing a Volume License Agreement

Because the VLA requires no contract signature, you obtain a VLA by simply placing an order with your Novell reseller. Licenses purchased under the VLA are subject to the terms and conditions of the End-User License Agreement (EULA) specific to each product (www.novell.com/licensing/eula/). Novell will allocate a customer number to you upon receipt of your first VLA order. This number should accompany all future orders.

The VLA program is easily managed with renewal purchases linked to an anniversary month, rather than a contract term date. Your anniversary month is established upon the initial purchase of License + 1-Year Standard Maintenance, or License + 1-Year Priority Maintenance.

The anniversary month means you no longer have a set end date for your VLA. Your VLA automatically renews each year unless you or Novell gives notification to terminate.

Perpetual Licenses

Perpetual licenses are sold under the VLA program as a combined offering with either one-year Standard or Priority Maintenance. Renewal Maintenance is optional, and may be purchased in one or three-year increments using multi-year part numbers. For purchases beyond a three-year commitment, you may work with your reseller or Novell account manager to place the appropriate order.

Subscription Licenses

Software subscription licenses are provided as an alternative to most existing perpetual license offerings for Novell's proprietary software offerings. Subscription licenses offer simplified budget planning, consistent annual payments, and lower initial software adoption costs. All subscription licenses for Novell's non-Linux, proprietary software offerings are sold exclusively as a combined offering with one-year Priority Maintenance. Subscription license part numbers are only available in one-year subscriptions. If you desire to acquire multiple years of subscription licenses up front, one-year part numbers may be added to the order to total the number of years needed. Standard VLA program discounts and policies apply. Additionally, VLA transaction-based volume discounts may also apply.

All licenses for a particular product must be either all subscription, or all perpetual. If you have already purchased perpetual licenses for a particular product, you must continue purchasing perpetual licenses when adding incremental licenses.

No perpetual license vesting or credits will be accumulated with the purchasing of subscription licenses. If at any time you desire to move from subscription licenses to perpetual licenses, you must pay the full perpetual license fee. Subscription license use rights will expire at the end of the applicable subscription period of the subscription is not renewed. If your subscription license expires, you must immediately discontinue use of the software.

Worldwide Availability

As a VLA customer, you may share your customer number with affiliated business locations or divisions worldwide. If you prefer to manage all license purchases under one customer number, any of your locations may purchase locally using your original Novell customer number. Or each location can manage their licenses separately by purchasing with their individual customer number. With no minimum purchase requirement, any location can set up their own VLA by simply making a purchase.

Maintenance

Product Upgrades and Technical Support

Upgrades and support can be difficult to plan for in the budget process. All customers need a convenient and inexpensive way to stay up-to-date. Maintenance, which is the combination of product upgrades, technical support and training, makes it easy. The cost of Maintenance is less than the cost of an upgrade license, and includes access to Novell's award winning technical support and Novell training.

Choose the Level That's Right for You

With the purchase of perpetual licenses, you may choose the level of Maintenance that makes the most sense for your business. Novell offers two levels of Maintenance for VLA customers: Standard Maintenance and Priority Maintenance. Subscription licenses are sold exclusively as a combined offering with Priority Maintenance.

Standard Maintenance includes:

- Upgrades to the latest version of product software
- Unlimited electronic training (see below for details)
- Unlimited product-specific electronic and phone support (12 x 5)

Priority Maintenance includes:

- Upgrades to the latest version of product software
- Unlimited electronic training (see below for details)
- Unlimited product-specific electronic and phone support (24 x 7)

The electronic training available with these Maintenance offerings includes unlimited access to web-based "First Look" product training; with focus on product installation, basic configuration, product features and functionality. These "First Look" courses are designed to help you become more familiar with the full range of the Novell product features and teach you how to get the product up and running quickly.

Product Upgrades

If a new version is released for a product for which Maintenance has been purchased, you are immediately licensed to use the new version. You may download the electronic media kit and any required license keys from the Novell Customer Center (<http://www.novell.com/center>) or request a physical media kit via a VLA purchase order. You can then install and use the new version for up to the total number of licenses you own.

To receive advance notification of product upgrades, you may subscribe to the Product Release Notification, available via the notifications section of the Novell Customer Center (see link above). You may also track upcoming product releases through the Novell website (www.novell.com).

Purchasing Rules for Maintenance

The following are some basic rules to remember when purchasing Standard or Priority Maintenance. All new perpetual licenses are sold as a combination of License + 1 year of Standard or Priority Maintenance. All subscription licenses are sold exclusively as a combined offering with Subscription License + 1 year Priority Maintenance, Standard Maintenance is not an option with subscription licenses.

Rule #1 Purchasing Maintenance

When adding incremental licenses to an existing product install base covered by Maintenance, all new licenses must be covered by Maintenance to ensure compliance on 100% coverage rule. This means if you have an existing install base of Open Enterprise Server (OES) licenses covered with Maintenance and you purchase 500 incremental OES licenses, you must purchase Maintenance for all 500 OES incremental licenses. To facilitate this purchase, Novell offers a combined License + Maintenance part number, with Standard or Priority support options.

When covering any product under Maintenance, you must purchase Maintenance on any licenses previously purchased, even if they were purchased outside of the current VLA agreement. This means that when you purchase your new 500 OES Licenses + Maintenance, if you already own 200 existing OES licenses without Maintenance coverage, you will need to purchase Maintenance for the new 500 plus the existing 200 in order to receive full benefit of the Maintenance coverage.

Due to the removal of the Standalone License option, Novell will allow customers without upgrade protection or Maintenance to make incremental purchases without covering the original installed base but technical support will not be available. Version upgrade benefits will be available but strictly limited & audited to the licenses covered by Maintenance

Rule #2 Same Coverage by Product

Customers can choose the level of Maintenance they want on a per product basis. For example, OES may be covered with Priority Maintenance (24 x 7), whereas GroupWise may have Standard Maintenance (12 x 5). However, all licenses for a particular product must be covered under the same level of Maintenance. For instance, you may not purchase Standard Maintenance for part of your OES licenses and Priority Maintenance for the remainder. The only exception to this rule is the SUSE Linux Enterprise product line. Customers may mix Standard and Priority subscription types according to the support coverage needed for specific servers.

Rule #3 Coverage on the Current Version Only

Maintenance is only available on the latest versions of Novell products. If you own licenses for an older version of the product, Maintenance can only be added after purchasing an Upgrade License. Upgrade Licenses will be available for a restricted period of time when a new product version is released. After this promotional period, a New License + Maintenance would be required to move to the current product version.

Rule #4 Protecting Open-Source Products

Because you do not pay for new or upgrade licenses for open-source products, subscriptions can be added to any version of a pure open-source product, but still must be purchased for all installed versions of the software.

SUSE Linux Products (Open Platform Services) has three subscription options available. These are as follows:

- Basic – Updates, fixes and installation assistance through the forums, plus 30 days of standard support
- Standard – 12 x 5 unlimited electronic and telephone support (4-hour response time)

- Priority – 24 x 7 unlimited electronic and telephone support (electronic: 4-hour response time, telephone: 1-hour response time)

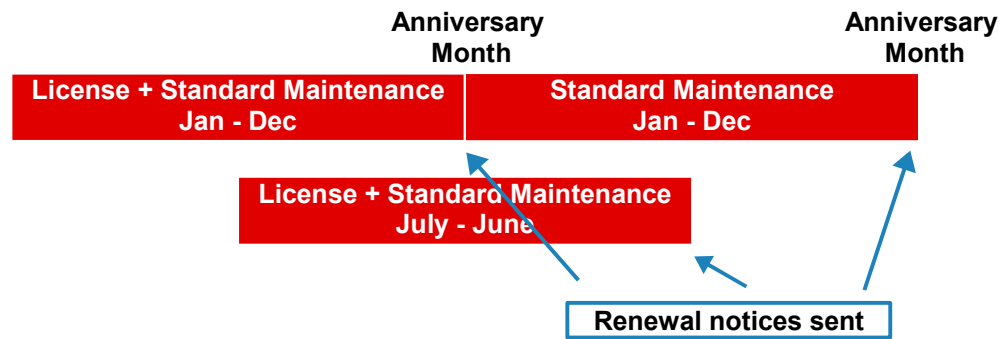
Rule #5 Coverage Dates and Renewals

Maintenance is sold in yearly increments, with coverage expiring annually. The coverage period is calculated from the date of purchase, including the remaining time in the current month plus 12 months from the first day of the following month. *For example, Maintenance purchased January 15 will begin on the day of purchase and run until January 31 in the following year.*

Many customers experience incremental growth, requiring multiple New License + Maintenance purchases throughout the year. Under these circumstances, you may have multiple renewals each year. Novell will help you stay on top of your purchases and renewals, sending renewal notices prior to the expiration of each interval of Maintenance.

License + Maintenance offerings may be purchased any time during the Agreement. These combined offerings are available as a one-year part number. Stand-alone Maintenance may be purchased in one and three-year increments.

This graphical example helps illustrate Maintenance coverage dates:



VLA Pricing & Volume Discounts

The VLA pricing structure is based on what you buy, and also the quantity. When VLA customers meet or exceed specified transaction purchase volumes, volume price discounts may be applied to list prices on their order. The greater the unit quantity, the greater the discount level that may be awarded. List pricing is available through PartnerNet (www.novell.com/partners) and final pricing can be obtained from your Novell reseller.

Distributors who utilize combination part numbers such as new Licenses + Standard Maintenance, new Licenses + Priority Maintenance, or Subscription License + Priority Maintenance could expect a higher discount on those items. Line items for stand-alone Standard or Priority Maintenance would be eligible for a lower discount. Always keep in mind that as a VLA customer, final pricing is always determined by your reseller.

VLA Ordering Process

To facilitate the ordering process for both customers and resellers, Novell has combination part numbers for orders including both Licenses and Maintenance, or Subscription License and Maintenance. Utilizing these combination part numbers may award you higher discounts.

All of the key Novell products are available through the VLA. Any Novell reseller is able to sell the VLA. This makes it easy for you to find the reseller that best suits your needs.

You may also participate in occasional promotions available only to Novell Buying Program customers. List pricing is available through the price list published by Novell each month (www.novell.com/partners) and final pricing can be obtained through your Novell reseller.

Ordering under the VLA is easy. Simply submit your purchase order to your reseller with the appropriate order and contact information. No special forms are required. Just include the correct part numbers, pricing and customer information. Customer information should include company name, contact information, billing address, customer number and any other information required by your Novell reseller to process the order. *If you are a brand new VLA customer, simply submit the order as a New VLA and a customer number will be generated to allow the order to be processed with Novell.*

VLA Order Fulfillment and Deliverables

Once you place an order with your reseller, the order is transmitted to a Novell Distributor and then on to Novell. Novell fulfills the order directly to you, using the contact information on the order. *VLA orders may not be placed directly with Novell.*

Electronic Delivery: To help you receive and deploy software as seamlessly as possible, licenses and software media kits are generally delivered electronically. When you order, you will receive a URL where you can login and download software. The electronic media will be sent to the email address provided on the order.

Physical Delivery: In the case where physical delivery is preferred, physical media kits are available for purchase and will be sent to the ship-to address provided on the order.

Software Media Kits

Software Media Kits include the product media required to install the software. This software can be installed as needed to support any additional license purchases of the product, without the need to order additional media. Although installations will not be restricted by the software, you may only utilize the software up to the number of licenses you legally own.

Changing Resellers

No forms are required when changing the reseller from whom you order; you simply change resellers as needed. To find a qualified reseller in your area, you can use our Partner Locator (<http://www.novell.com/partnerlocator/index.jsp>).

Past-Version Product Rights

Purchasing products licensed as “& Prior” gives you the option to purchase current licenses of a product without the need to redeploy your installed version. *For example if you purchase OES licenses, you may opt to deploy NetWare 6.5 software until you are ready to begin using the latest version.*

Some of the benefits of past-version product rights include:

- Flexibility – You can choose which version of the product you would like to install, yet still be licensed to use a lower version when you choose to do so.
- Lower Costs - You can purchase the latest version license and choose to use an older version of the software. Since you are then already licensed for the current version, you can migrate to the new version at no additional charge when you are ready.
- Latest License Terms - Although you may be using a prior version of a product, licensing for an individual product is determined by the version you own. For instance, if you are licensed for OES (which is

licensed by user), but deploying NetWare 5.1 (licensed by server-connection), you would determine your licensing counts by user.

"& Prior" licenses are indicated in the individual product descriptions. When possible, you should use your existing, previous-version media for installation. If necessary, you may order media for prior versions from the current price lists. However, only media currently included on the price list is available for order.

Counting Options

Counting options can be found in the individual product end-user licensing agreement, commonly referred to as EULA. Novell products have various counting methods such as user, instance or device. The complete definitions can be found on the web at (www.novell.com/licensing/eula/).

Business to Consumer and Government to Citizen Licensing

The Business to Consumer and Government to Citizen license option allows customers supporting large numbers of users outside their own organization (e.g., providing an external solution such as an online user account for banking customers) to purchase large quantities of licenses at a discounted list price available in the Novell Corporate Price List. This offering is available on a select number of products only. Customers purchasing licenses under this model *must adhere to the definitions* for Business to Consumer and Government to Citizen below in purchasing enough licenses to support their usage, and may not allow or enable Consumers or Citizens to have physical or administrative access to the Novell software, nor the server on which it resides.

"Consumer" Definition: Any entity or person to whom You provide services or goods as part of your normal business operations (other than where your main or only business is the provision of facilities management or outsourcing-type services). Consumer shall not include Your employees, agents, contractors or suppliers, regardless of whether You provide services or goods to any of them.

"Government Entity" Definition: If You are a Governmental Entity, then Your Consumers shall be considered to be Citizens under Novell's then-current licensing programs and price lists. "Governmental Entity" shall mean a government-owned or affiliated entity performing services or duties of a public character for the benefit of all citizens of a community and whose primary purpose is not to generate a profit. For example, a government-owned telecommunications, media, utilities or mining company shall not be considered a Governmental Entity. If there is an issue concerning whether an organization is a Governmental Entity, Novell's opinion will prevail so long as it treats similarly situated entities the same.

Audit Methodology: It is Your responsibility to validate and support Your purchase and use of Novell licenses under the Program. Novell's recommended method of satisfying this requirement is to segregate the user objects identified for Business to Consumer or Government to Citizen licensing by creating a separate directory tree for such users, completely distinct from your employee-based production environment.

VLA for Education

Special purchasing and licensing options are available to qualified educational institutions. Qualifying customers may take advantage of special discounts through the VLA for Education program. More information is available on the academic qualifying website (<http://www.novell.com/licensing/academic/qualify.html>).

VLA for Non-Profit

Special purchasing is available to qualified non-profit organizations. Qualifying customers may take advantage of special discounts through the VLA for Non-Profit program once they complete and sign the Novell Non-Profit

Eligibility Form. More information is available on the non-profit qualifying website (www.novell.com/licensing/nonprofit/qualify.html).

VLA for Government

Special purchasing is available to qualified government entities. Qualifying customers may take advantage of special discounts through the VLA for Government program. More information is available on the government qualifying website (www.novell.com/licensing/government/qualify.html).

Additional Support, Training and Consulting Services

Novell Services offers customers peace of mind as they design, build and support their IT systems – and of course, all services purchases count toward reaching new discount levels.

Support: Novell support programs and offerings allow you to build a customized package to meet your needs and maximize the value of your Novell investments. Details on all of Novell's support offerings can be found at (www.novell.com/support/). Pricing for upgrades, stand-alone and add-on services are available on the price list (www.novell.com/partners). Pricing can be requested from a Novell reseller.

Training: Novell also provides our customers industry leading certification and training opportunities to support the Novell® solutions that power their business. With Novell certification and training, you can be fully prepared to meet the complexities and challenges of managing your network while utilizing its full business potential. Whatever the learning style, we have a training option to meet your needs. To read more about these options online, visit <http://www.novell.com/training/courseware/>.

Consulting: Novell also provides a broad spectrum of direct consulting services to assist customers in implementing the best enterprise networking solutions based on Novell products. Membership in the Novell Buying Programs provides customers with enhanced benefits when they purchase Novell Consulting Services. Information about Novell Consulting Services (www.novell.com/consulting/) is available on the web.

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