

Novell® Technology Assurance Program

October 2007

What is Novell announcing?

We are announcing significant enhancements to our indemnification program and the creation of an IP protection umbrella program that will be called the Novell® Technology Assurance Program. This innovative program includes our new indemnification policies, patent protection through our relationship with Microsoft and our willingness to use the broad Novell patent portfolio to protect our customers.

Who is covered?

Customers who purchase and maintain ongoing subscriptions to upgrades and updates for Novell products and who purchase and maintain annual technical support (either separately or included with maintenance) are covered under this new program.

Does the new Novell Technology Assurance Program cover Linux*, open source and proprietary products from Novell at the same level?

Yes.

Why create the new Novell Technology Assurance Program?

Novell regularly reviews its customer protection programs. We decided that we should provide the same level of assurance for our Linux, open source and proprietary products. We also wanted to provide our customers with one of the leading technology assurance programs in the industry and push our IP protection for Linux beyond what others in the industry are providing.

Do customers have to register for the new program?

No.

How does the new indemnification program differ from the previous program?

The new indemnification program component of the Novell Technology Assurance Program is much broader than the previous indemnification program and it now covers copyrights, patents, trademarks and trade secrets. In addition, the program applies equally to all Novell products, including Linux-based and proprietary products. Enhancements in damage and defense cost coverage are also included. There are no longer any minimum purchase requirements and no registration requirements. We believe that this is the best overall indemnification program in the industry for Linux, open source and proprietary products.

What are the differences between the new indemnification program and the old indemnification program?

| Old | New |
|---|---|
| Copyright claims only | Patent, copyright, trademark and trade secret claims |
| Indemnity Conditions | |
| US\$50,000 minimum purchase requirement | No minimum purchase requirement |
| Customers must register with Novell within 10 days | No registration requirement |
| Damages Cost Coverage | |
| Lesser of US\$1.5 million or 125 percent of fees spent | <ul style="list-style-type: none"> For large, Master License Agreement (MLA) customers, damages are capped at the lesser of US\$1.5 million or twice fees paid. For non-MLA customers, damages are capped at fees paid during the previous 12-month period. |
| Defense Cost Coverage | |
| <ul style="list-style-type: none"> Unlimited (indemnity conditions apply, however) | <ul style="list-style-type: none"> Unlimited for MLA Capped for non-MLA customers at fees paid in 12 months preceding claim |

How does the new Novell Technology Assurance Program compare with Red Hat's Open Source Assurance Program?

| Attributes | Novell Technology Assurance Program | Red Hat* Open Source Assurance Program |
|--------------------------------|--|---|
| Products covered | All proprietary and Linux-based Novell products | All Linux-based Red Hat products |
| Customer qualifications | Purchase and maintain ongoing subscription (maintenance/support) | Purchase and maintain ongoing subscription (maintenance/support) |
| Areas of coverage | Copyrights, patents, trademarks, trade secrets | Copyrights, patents, trademarks, trade secrets |
| Subscription required | Yes | Yes |
| Damages coverage | <ul style="list-style-type: none"> For large enterprise (MLA) customers, damages are capped at the lesser of US\$1.5 million or twice fees paid. For non-MLA customers, damages are capped at fees paid during the previous 12-month period. | For all customers, damages are capped at fees paid during the previous 12-month period. |
| Defense cost coverage | <ul style="list-style-type: none"> Unlimited for MLA | Capped at fees paid in the 12 |

| | | |
|--|--|---|
| | <ul style="list-style-type: none"> • Capped for non-MLA customers at fees paid in 12 months preceding claim | months preceding a claim |
| Purchase requirements | No minimum | No minimum |
| Registration requirement | None | None |
| Microsoft patent protection | Yes, for all Novell products | None |
| Protection via patent portfolio | Yes | Almost none, Red Hat opposes software patents |

Why is patent protection through the Novell and Microsoft relationship included in the Novell Technology Assurance Program?

We view our cooperation with Microsoft as an important, long-term relationship. It gives our customers additional patent protection for all of our Linux, open source and proprietary products.

What value does the new program provide to users?

With our new Novell Technology Assurance Program, users can purchase any of our Linux, open source and proprietary products with the assurance that their use of our products will not be interrupted. And, in the event that an infringement claim arises, we will provide significant compensation for damages and defense support.

How does this program benefit Novell with respect to its Linux and open source products?

Our customers occasionally ask about the assurance of open source products because IP protection is a sensitive issue in many organizations. We believe that the Novell Technology Assurance Program is the best in the industry, and it gives you the assurance that we support all of the products we sell. Having the best assurance program in the industry for Linux and open source products gives Novell an edge over competitors.

We believe that sending a clear message to our customers about assurance gives us an advantage in the marketplace.