

Novell Buying Programs: Master License Agreement

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MASTER LICENSE AGREEMENT PROGRAM GUIDE

The Master License Agreement (MLA) provides discounted license options to our highest tier customers, rewarding you based on volume spending and commitment. Designed for large, worldwide organizations, the MLA provides a flexible method of implementing Novell systems across your business. By meeting minimum purchase requirements and signing the MLA you gain access to rewarding benefits unique to the MLA, including Maintenance (upgrade protection, technical support, training), price protection and past-version product rights.

Entering the MLA Program

You may participate in the MLA by meeting the minimum purchase requirements outlined below. A qualifying initial order places you at your initial discount level. For the first discount tier, and entry into the MLA program, you may qualify by spending a minimum of \$1 million (USD), Net to Novell, in Licenses, Maintenance, Technical Support, or any other Novell offering. This also includes the annual spend of all associated MLA members, if any, under the Parent entity. *Government organizations have the same standard buy-in requirement as corporate customers.*

Qualifying for Discounts

Additional discounts can be achieved at any time during the agreement term. If, at any time, you find you have made enough purchases to achieve a new membership level, you may request Novell confirm the purchase total and assign the new Membership Level earned. Once you reach the next tier, you may request a review of your spending and any qualifying level adjustment.

MLA Level 1 begins at the minimum spending level shown above (see Entering the MLA Program). You may qualify for the MLA Level 2 discount when your purchases reach a minimum level of \$2.5 Million per annum, Net to Novell, and Level 3 at \$5 Million per annum, Net to Novell.

Your MLA discount level is contingent upon meeting all program and contract requirements, including annual spend requirements. Novell may review your purchase history at any time and appropriately adjust your discount level if you have not met the annual spend requirements for your discount level.

MLA Priority Maintenance

Maintenance is an integral benefit of the MLA program, offering you Upgrade Protection, technical support, and unlimited electronic training, all bundled into one fee. With Maintenance, you are guaranteed the latest version of Novell products along with the services you need to ensure your success. As an MLA customer, you are required to purchase Priority level Maintenance or higher. The only exception to this rule is the SUSE Linux Enterprise product line. Customers may choose between purchasing Standard or Priority Maintenance, according to the support coverage needed for specific servers. You are required to purchase maintenance for all of your Novell product licenses, including any licenses previously purchased, even if they were purchased outside the current MLA agreement. For more information regarding support, please visit (<http://support.novell.com/programs/mla.html>).

Maintenance is required anytime during the MLA when new products or licenses are purchased. Maintenance is generally purchased on an annual basis, but may be purchased for multiple years of coverage (1, 2, or 3 years) or pro-rated if products are purchased mid-term. *For example, if you purchase ZENWorks Suite Licenses at the beginning of your MLA term and decide to purchase additional licenses during your first Annual Period, you*

would be able to pro-rate the cost of the Maintenance on the additional licenses to the number of months remaining in the Annual Period.

Maintenance is available on the most current version of all Novell products. If you own an older version of a product, Maintenance may be added after first purchasing an upgrade license. *For example, NetWare 5.x licenses must be upgraded to the most current version before purchasing Maintenance.* After Maintenance is in place, you are entitled to receive any future upgrades to the product during the coverage period.

Upgrade Protection

When a new version of a Novell product is released, you are immediately and automatically licensed to use the new version of the products you own, eliminating unforeseen software upgrade expenses. Your maintenance purchase covers all software version updates during the coverage period. As a result - depending on product release cycles - you may receive multiple upgrades by paying a single inexpensive Maintenance fee for your licenses.

Upgrade Fulfillment

You may download the electronic media kit and any required license keys or request a physical media kit from the Customer Center (<http://www.novell.com/center/>). You can then install and use the new version for up to the total number of licenses purchased.

To receive advance notification of product upgrades, you may subscribe to the Product Release Notification available via the notifications section of the Customer Center (see link above). You may also track upcoming product releases through the Novell website (www.novell.com) and obtain patches fixes, and other minor updates easily through one of the Novell Technical Subscriptions (<http://support.novell.com/subscriptions/>).

Technical Support

Your maintenance purchase entitles you to a level of Premium Service, offering you a direct connection to Novell's award winning support organization. Your total maintenance spend determines the level of support you receive. Each MLA customer receives:

- Unlimited access to expert resources, 24x7x365
- Fast and predictable response times
- Access to industry leading support tools

Depending your total maintenance spend, you may also be entitled to the higher level services included in the Advanced and Enterprise levels of Premium Service, including:

- Dedicated support resources
- Service account management
- Senior engineer service requests
- Additional tools

For more information on MLA support and the Premium Service program visit (http://support.novell.com/support_options.html).

Training

As another benefit of your Maintenance purchase, you have unlimited access to Novell's On Demand "First Look" Training modules. "First Look" training modules are self paced and interactive (1-5 hours), cover the fundamentals of installation, basic configuration and new features and functionality of your Novell products and include simulated exercises, screen captures and demonstrations, along with a recorded instructor, quizzes, and

more. Get off to a great start by taking advantage of these beneficial training modules. Stand-alone options are also available. Information about Novell Training Services(www.novell.com/training) is available on the web.

MLA Back Pay Maintenance Purchases

MLA customers paying back Maintenance for past MLA renewal Annual Periods, resulting from newly discovered compliance issues such as audit findings or other late payments, are required to purchase Maintenance using their current MLA term price protected rates. Price protected rates from previous expired MLA terms do not apply to back Maintenance payments.

Price Protection

As an MLA customer, you benefit from price protection on both License and Maintenance purchases, locking in pricing for the current two-year term of the agreement. Price protection is valid on any order made in either USD or EURO until your contract renewal, at which time all prices reset to the latest price list. New pricing applies to Maintenance renewals regardless of whether the renewal order is placed before the end of the current term. Keep in mind price protection does not apply to promotional or exception-based pricing or on purchases of Novell services.

Price protection not only guarantees that product and Maintenance pricing will not increase over the term of your agreement, but also allows you to take advantage of any price reduction Novell may release on any item under price protection. The price protection benefits described here are the same for all MLA customers, regardless of contract version. Subsidiaries joining an existing MLA contract receive price protection based on the pricing of the MLA parent contract. To access the Novell Corporate Price Lists, please visit the following site (<http://www.novell.com/licensing/price/>). This site provides both a direct link to the page within PartnerNet where the lists are stored, and an email address to subscribe to the monthly email distribution list.

Past-version Product Rights

Purchasing products licensed as “& Prior” gives you the option to purchase current licenses of a product without having 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:

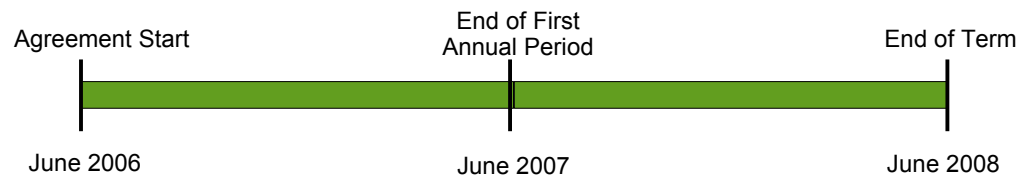
- Flexibility – You can choose which version of the product you would like to install, yet still be licensed to use a lower version when you choose to do so.
- Lower Costs - You can purchase the latest version license and choose to use an older version of the software. Since you are then already licensed 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. Please see the current price list for details on which products are offered as “& Prior” Licenses. 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.

Agreement Terms and Renewals

The MLA contract has a two-year term. Each contract term is divided into annual periods. MLA contracts are evergreen, meaning they automatically renew after each term for an additional two-year term. In the example below, the contract took effect in June 2006 and has a term date of June 2008, at which time the contract automatically renews for another two years.

To help you make the most of your budget, the MLA term date does not restrict the length of Maintenance you can purchase. *For example, if you reach the first annual period in June 2007 and wish to purchase two years of Maintenance, you may do so, setting the date for your Maintenance renewal for June 2009, a year past your contract renewal date.* Keep in mind you are still obligated to buy Maintenance for any additional licenses you purchase through that time.



Choosing Not to Renew

Either you or Novell may choose not to renew the agreement at the conclusion of any term by providing written notification to the other party according to the termination provisions in the contract. Please refer to your contract for the terms and conditions of termination.

Worldwide Availability

As an MLA customer, you may share your agreement number with other business locations, divisions, or affiliates worldwide. If you prefer to manage all license purchases under one agreement number, any of your locations may purchase locally using your original MLA number.

We have made it easy for such entities to participate in the MLA, managing their own product set and licenses, by allowing any such entity to simply reference their parent company's MLA and sign up with their own agreement number for a minimum purchase of \$5,000 (USD) per annum, Net to Novell.. This allows any of your worldwide affiliates the flexibility to make individual purchasing, reseller, and licensing choices while leveraging the parent company's membership discount.

Membership Forms

MLA customer locations wishing to order as a member of a common MLA contract are issued a unique agreement number from Novell. To receive this number, each location must sign and submit a Membership Form to Novell any time during the MLA term and make a minimum \$5,000 (USD) initial purchase, Net to Novell.

By signing the Membership Form, the MLA ordering location is executing their own agreement. The agreements of all subsidiaries are linked together for the purpose of contract start and end dates and discount purposes. This form is required for any location that wants to purchase for themselves, select options different from the other locations within the company, or select their own MLA reseller. Each subsidiary has its own identity under the MLA, with a unique agreement number for each location.

Here are some guidelines to remember when signing the MLA Membership Form:

- A Membership Form is necessary on all separate MLA ordering locations requiring a different bill-to address from that of the Parent or other Subsidiary locations. The bill-to address is determined by the address used on the customer purchase order.
- A minimum purchase of \$5,000 (USD), Net to Novell, is required with each Membership Form. Subsidiaries must have a minimum annual spend of \$5,000(USD) Net to Novell.
- Each location must complete and sign an original Membership Form and return it to Novell at the address given on the form. This executes a separate contract for each location with the relevant local Novell entity.
- Upon approval of the Membership Form, Novell will assign a unique agreement number for that location. The order can now be placed, referencing this number.

MLA Pricing and Order Process

All key Novell products are available through the MLA. You may purchase new licenses, upgrade licenses, competitive upgrade licenses, Maintenance and other services, including technical support, training and consulting. You may also participate in occasional promotions available only to Novell Buying Program customers. List pricing is available through the Novell Corporate Price List published each month. To access the Novell Corporate Price Lists, please visit the following site (<http://www.novell.com/licensing/price/>). This site provides both a direct link to the page within PartnerNet where the lists are stored, and an email address to subscribe to the monthly email distribution list. Final pricing can be obtained either directly from Novell or through your Novell reseller. MLA customers must place all orders via the MLA program,.Therefore, orders for products can not be purchased via the VLA program once customer has MLA agreement with Novell.

When ordering under the MLA, you have the option of ordering directly from Novell or you may opt to purchase through an approved Novell Software Services Agent or Fulfillment Agent. You are entitled to a guaranteed minimum discount based on your contract level. Discounts in the MLA program generally begin at 34% and can increase based on individual spending and commitment. Your discounts are set by the MLA contract and are the same regardless of where you buy.

Ordering under the MLA is easy. Simply submit your purchase order to Novell or to your reseller with the appropriate order and contact information. No special forms are required. Just include the correct part numbers, pricing and contract information, including company name, contact information, billing address, V.A.T. number (where applicable), contract number and any other information required by your Novell office to process the order.

In general, all MLA orders and fees should be submitted in USD. However, for MLA orders requesting shipment and billing to a country whose currency is the Euro or where payment in local currency is offered by Novell, you may issue your purchase order and pay your fees in USD, Euros, or the approved currency. All subsequent orders should be in the same currency unless agreed otherwise with Novell. Orders issued in response to quotes must correspond to the currency in which the quote was made.

Order Fulfillment and Deliverables

Through the MLA you have the option of ordering directly from Novell on any MLA order. You may also order from a qualified Software Services Agent or Fulfillment Agent. Using a qualified reseller ensures you are getting the highest level of service from our most qualified resellers. You may change resellers at any time, as long as the partner you order from is qualified to sell the MLA. Once you place an order with Novell or your reseller of choice, the order is processed at Novell and any order deliverables are sent directly to you.

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.

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.

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.

Changing Resellers

No forms are required when changing MLA partners; you simply change resellers as needed, as long as you continue to purchase through an authorized Fulfillment or Software Service Agent. To find a qualified reseller in your area, you can use our Partner Locator (<http://www.novell.com/partnerlocator/index.jsp>).

Audit Requirements

As an MLA customer you are obligated to complete a self-audit at the end of every Annual Period. The self-audit performed each year will help you in calculating your Maintenance order. Novell is not contractually obligated to notify you of your annual self-audit. Although no forms are required, you should complete a self-audit and submit the appropriate renewal order each year under the MLA.

Counting Options

Counting by Device

Some customers may find they need an easier counting method when deploying software within their organization. Specific user-based products can be licensed by device. No addendum is necessary to use this option. If you decide to count a product by device, you simply begin counting the product on a device basis and purchase the number of licenses required under that model.

If you require additional licenses when counting a product by device, you still buy the standard user part numbers. However, you are allowed to count by device.

A device license covers laptops, workstations, desktops, and terminals or kiosks that access and use the software. Please refer to the EULA website (www.novell.com/licensing/eula) for the full definition and a complete list of eligible products.

Following are some rules and guidelines to remember when counting by device.

- Remember the default counting method for a user product will always be user. If you do not specify in your records or during an audit situation, the product is assumed to be counted under the standard product EULA.
- You should document internally how products are licensed. Should an audit situation occur, you will be required to state up front your licensing methodology, which will be adhered to in the audit count.
- Transitions from user to device should be done on a 1:1 ratio. This means that 1,000 user licenses will transition to 1,000 device licenses under the device model. You cannot simply have 1,000 user licenses but only pay Maintenance for 700 devices. Keep in mind that it may still be advantageous when switching

license models to have the additional expansion room. If you own 1,000 user licenses but 700 devices, you now have room to grow into 300 licenses under the device model.

Counting based on Product EULA

Other counting options can be found in the individual product end-user licensing agreement, commonly referred to as EULA. Novell products have various counting methods including user-, CPU-, server- and instance-based licensing. 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 quantities of licenses at a discounted list price available in the Novell Corporate Price List.*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" means 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.

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.

* B-C and G-C offering available on a select number of products only.

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, any services purchases count toward reaching new discount levels

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 the Novell 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. To access the Novell Corporate Price Lists, please visit the following site (<http://www.novell.com/licensing/price/>). This site provides both a direct link to the page within PartnerNet where the lists are stored, and an email address to subscribe to the monthly email distribution list.

Novell provides our customers a full spectrum of 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/>).

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.

For any services provided by Novell under the Novell Master License Agreement through a Statement of Work, or in the absence of a separately signed Consulting Agreement for any services, in addition to the license agreement terms, the terms and conditions linked on (http://www.novell.com/licensing/contracts/services_tc.pdf) shall apply to the services, and are considered part of this program guide.

This Program Guide is for Novell customers, distributors, resellers, and Novell sales personnel. The information presented here is applicable worldwide (with exceptions as noted) and generally describes the Novell Master License Agreement. This Program Guide is subject to change. Any dollar amounts provided in this document are in U.S. dollars. Some licensing benefits, including these dollar amounts, may vary by geographic region. Please contact your local Novell office for additional information. All Novell buying programs are governed by the terms and conditions of the specific License Agreement, which incorporates the information provided in this Program Guide.