

Frequently Asked Questions (FAQ) for Customers Automatic (Continuous) Renewal

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Why has IBM implemented Automatic (Continuous) renewal?

IBM has made this change to ensure our customers' continued satisfaction with Software Maintenance and/or their Fixed Term License (FTL). This change ensures that customers will not experience unintentional lapses in coverage of either their Software Maintenance or their Fixed Term Licenses, which may result in significantly higher prices to reinstate coverage.

What is Automatic Renewal?

Automatic, or Continuous Renewal is a process where Software Maintenance and FTL will be continuously renewed at the Anniversary date unless the customer notifies IBM prior to that date. The customer will still receive renewal notices from IBM and is encouraged to work with their Business Partner or their IBM representative to place their renewal order prior to their Anniversary date. If an order is not placed or if the customer has not notified IBM that they wish to cancel their renewal, their current quotation for Software Maintenance or FTL will be invoiced. This will ensure that the customer will not experience a lapse in their entitlement to Software Maintenance or the use of their FTL.

When did this change take effect?

These changes became effective for all Passport Advantage customers on May 23, 2005, for all Passport Advantage Express orders placed on or after May 23, 2005, and for all Software Maintenance and Fixed Term License renewals with June 1, 2005 or later Anniversaries.

Are all customers affected?

All customers are affected by this announcement except customers in those countries excluded in the International Passport Advantage Agreement (IPAA). Even though the terms apply to all customers except as stated above, as a matter of process, ELA, Government, and any customer with whom IBM is already engaged in discussing an open renewal quotation will NOT be sent an invoice for continuous renewal.

If a customer notifies IBM that they do not wish to renew Software Maintenance, what are, if any, the ramifications?

The customer may use the products at the latest revision (or earlier) they are entitled to use while they were under IBM Software Maintenance coverage. However, the customer will not have the right to download further upgrades to the software or receive technical support after their Software Maintenance coverage has lapsed. If the customer decides at a later time to acquire Software Maintenance, reinstatement fees will apply.

How will IBM notify the customer when their Software Maintenance coverage or FTL is coming up for renewal?

The customer will receive a quote from IBM, hardcopy and in electronic format on Passport Advantage Online for customers, approximately 75 days prior to their Anniversary date. If renewal has not taken place, for customers that have provided us with a valid e-mail address, a reminder is sent approximately 30 and 15 days prior to the Anniversary date. The customer has a choice of sending the quote to their preferred Business Partner for final pricing and ordering, or acquiring from IBM at the quoted price.

Can the customer still use their Business Partner to renew?

Yes, it is business as usual in placing orders and renewing Software Maintenance or FTL with their preferred Business Partner. Our Business Partners are and will continue to be a critical part of our renewal process.

If a customer normally works with their IBM representative/Business Partner when they renew their Software Maintenance or FTL, do they now wait until they are invoiced?

No. Customers are encouraged to work with their Business Partner or with their IBM Software Maintenance representative as soon as they receive their first renewal quote. If the renewal is not placed, or the customer has not taken explicit action to notify IBM they are declining the renewal, prior to the Anniversary, IBM will invoice the customer.

How can customers notify IBM of their desire to amend their Software Maintenance coverage or FTL as part of the renewal process?

The customer can work with either their Business Partner or their Software Maintenance representative identified on their renewal quotation.

If a customer is no longer using all of their entitled software, can they renew a portion of their current entitlement when they receive their invoice?

No. The customer needs to reconcile their entitlements prior to the Anniversary with their Business Partner or IBM representative as described above.

When a customer receives their invoice from IBM, can they pay their Business Partner instead?

Customers are encouraged to work with their Business Partner as soon as they receive their quote and to place their renewal order prior to their Anniversary. If the customer receives an invoice from IBM and they wish to engage their Business Partner, they must supply the Business Partner with the invoice and the renewal quote number. The Business Partner will work with IBM to place the renewal order.

What does a customer do when they receive their invoice from IBM and they do not want to renew?

Under the new terms of the IBM International Passport Advantage Agreement and the IBM International Passport Advantage Express Agreement, the customer must notify

IBM of their desire not to renew prior to the Anniversary; otherwise, payment of the invoice is due.

How can customers notify IBM of their desire not to renew their Software Maintenance coverage or FTL?

Customers, who have access to their renewals on Passport Advantage Online for customers, can perform the notification there with just a few clicks, but otherwise IBM must receive written notification that the customer does not want to renew their Software Maintenance coverage. This notification can be made either directly to the IBM renewal representative shown on the customer's renewal quote, or through their Business Partner. In either case, the notification must be received by IBM before the Anniversary.

Once a customer has been sent an invoice, can they still renew on-line using Passport Advantage Online for customers?

Once the Anniversary is passed and the renewal invoice has been generated, the customer cannot complete the renewal on Passport Advantage Online for customers. Payment can be made to IBM accounts receivable as noted on the invoice, or the customer can still choose to complete their renewal using their preferred Business Partner.

What happens when a customer is sent an invoice and they do not contact their Business Partner or IBM?

Payment is due according to terms of the invoice.

Will Software Maintenance and FTL renewals be on the same renewal quotation?

No, they will be separated – Software Maintenance renewals on one quote and FTL renewals on another.