

# Passport Advantage Revision 10

## Background and History

- Passport Advantage program announced in May, 1998
  - Between 1998 and 2005, changes were made to the program and the underlying agreement approximately every 18 months
    - Agreement became ‘evergreen’. Remote technical support and access to upgrades and updates (subscription) included with new license acquisition (October 2001)
    - Created Passport Advantage Express (May 2003)
    - Introduced Fixed Term Licenses, autorenewal, and Selected Support (November 2005)
    - Removed the 500-point entry requirement for Passport Advantage and incorporated commonly used terms and concepts, including virtualization (Sub-capacity) licensing, SaaS (now called Cloud Services) and Appliances into the base Agreements. (July 2011)
  
- The September 2014 revision simplified the agreement from top to bottom incorporating Appliance Services, Token Licenses, and Monthly licenses terms (which had previously existed in separate attachments) into the base Agreements

## PA/PAE Revision 10 – Scope Summary

- Provides customers with Monthly License (ML) and Fixed Term License(s) (FTL) the right to terminate their licenses before the contracted end date
- Adds Continuing Support – post-EOS commercially reasonable support included with S&S
- Clarifies compliance and verification terms and adds new provision for the suspension of eligibility for Sub-capacity pricing in specified circumstances
- Prepares for European General Data Protection Regulations (GDPR) implementation
- Includes edits to correct typos, update embedded URLs, improve clarity and align with current branding

## Term Licensing changes - Details

### Monthly License and Fixed Term License changes\*

- Allows clients with these term license offerings to request termination of these licenses before the end of the originally-contracted period and receive a prorated refund of any remaining pre-paid fees covering the period between the requested end date and originally-contracted end date
  - Requires client to give us at least 30 days' notice of the desired early termination date.
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- **Note: does not apply to Multi-year Token Fixed Term Licenses (which are covered by separate terms in the applicable transaction documents)**
  - **Note 2: ELA template wording has been updated to address this change**
  - **Note 3: Non-ELA, non-multi-year token, PA clients with existing MLs or FTLs (but not Multi-year FTLs) with an end date after December 31st, 2017, will be given this new benefit in respect of those current term licenses as of the date they receive their PA10 notification.**

## Continuing Support - Details

- Provides support for post-EOS versions and releases of selected software products as part of S&S
- Provides “commercially reasonable” support and existing patches and fixes but does not develop or provide any additional [new] patches or fixes.
- Requires customer to maintain active S&S coverage for product

## Compliance and Verification Updates - Details

- The compliance and verification sections of the Agreements have been significantly revised to improve and clarify the wording.
- A new provision has been added that allows IBM to suspend a client's eligibility to use Sub-Capacity pricing if IBM becomes aware of that client's non-compliance with applicable Sub-Capacity licensing requirements

## Data Protection Regulation Preparedness - Details

In May, 2018, new European regulations called the European General Data Protection regulations, or GDPR, come into effect.

Because the potential impact of these regulations is very broad in scope, both from a product and geographic perspective, we have incorporated wording in the international PA and PA Express Agreements to prepare us for the implementation of the GDPR.

## General ‘Housekeeping’

- We have made numerous updates throughout the PA and PA Express Agreements to correct typos, update embedded URLs, improve clarity and align with current branding
- We have replaced all references to “SaaS” with the term “Cloud Services”



## Timing

- Notices will begin going out to Clients toward the end of October
  - We will start with English-speaking/contracting countries first because they represent the majority of our customer base (60%), followed by notifications to all other countries and languages.
  - Notification will be done by email. In addition, in some countries the local team may choose to send or otherwise provide hardcopy notification as well.
    - Some Clients will be excluded initially. These customers will include some ELA Clients and other sensitive accounts that are identified ahead of the start of the notification process
  - Nominal notification date is November 1<sup>st</sup>, 2017. We hope to have sent notifications to all Originating Sites within a couple of weeks of the start date. Additional Site notifications (as a courtesy) will follow.
- Effective date for existing PA customers is February 1<sup>st</sup>. 2018
- Effective date for net new PA Agreement (Originating Site) enrollments is November 1<sup>st</sup>. 2017
- Effective date for new PA Express transactions is November 1<sup>st</sup>. 2017
- [Note: we will only be sending change notifications in a legal language of the customer Site's country but we will publish all language versions on our public web site so anybody can read the Agreement in a language of their choice.](#)

## Resources

- Updated:
  - PA 2018 Partner enablement (internal & Partner)
  - PA 2018 Customer presentation (revision overview plus update to full customer pres.)
  - PA 2018 FAQ
  - PA & PA Express revision 10 Agreements (external)

Questions?