

Subject: IBM Passport Advantage Sub-Capacity Offering Improvements

Dear Passport Advantage IBM Business Partner:

IBM has introduced important improvements to the Passport Advantage Sub-Capacity offering, specifically to the Attachment for Sub-Capacity Licensing Terms under the IBM International Passport Advantage and Passport Advantage Express Agreements.

Please ensure your resellers are aware of these changes and the updated documents they now need to be using when engaging with their customers. All Passport Advantage and Passport Advantage Express documents are available online at the web page below:

<http://www-01.ibm.com/software/lotus/passportadvantage/agreementsandforms.html>

Existing Passport Advantage customers who have previously accepted sub-capacity terms will receive notice of the changes either by hardcopy mail or by e-mail starting April 7, 2009. In accordance with the Passport Advantage Agreement, these changes take effect for all existing Passport Advantage sub-capacity customers on August 1, 2009.

For **all new Passport Advantage Agreements initiated** on or after September 8, 2008, the new version of the Attachment for Sub-Capacity Licensing Terms (Z125-7174-02), dated July 2008 applies. A copy of the English version of that Attachment is included for your reference, and all other language versions are available on the Passport Advantage sub-capacity attachment web page. Please ensure you provide any new customers enrolling in Passport Advantage with this new version of the Attachment as necessary, and please cease to use the prior version. Please note that no changes have been made to the Passport Advantage Enrollment Forms in connection with these program updates.

A copy of the customer notification letter (English) is also attached below for your information. This letter is being sent to customers in the same set of languages as the Attachment, as applicable to their country. A link to these letters is available at the following web site:

<http://www-01.ibm.com/software/lotus/passportadvantage/subcapacityattachments.html>

For **all new Passport Advantage Express transactions** on or after September 8, 2008, the new version of the Attachment for Sub-Capacity Licensing Terms (Z125-7174-02), dated July 2008 has been and must continue to be used – please ensure you provide your customers with this new version of the Attachment, and please cease use of the prior version as of that date.

In brief, here are the changes being made to sub-capacity terms for Passport Advantage and Passport Advantage Express:

- **Elimination of Registration and Reporting**
- **New and improved IBM License Metric Tool replaces ITLCM for IBM Software**
- **Expansion of Eligible Virtualization Environments, including VMware**
- **Clarification of compliance verification rights and obligations**

In addition, the list of PVU-based products eligible for sub-capacity licensing has been expanded. We have also eliminated the requirement to obtain and track a different part number for sub-capacity licensing.

A copy of the Attachment for Sub-Capacity Licensing Terms (Z125-7174-02), dated July 2008 is available at this web page:

<http://www-01.ibm.com/software/lotus/passportadvantage/subcapacityattachments.html>

For more information concerning these enhancements, please visit the Passport Advantage page at <http://www.ibm.com/software/passportadvantage> and choose "Find out more about Passport Advantage and Passport Advantage Express", select "Licensing", and then select "Sub-capacity Licenses" to learn more about sub-capacity licensing options at IBM. There you will find links to the most current list of products and technology platforms eligible for sub-capacity licensing. IBM also has additional technical information for the key partitioning and virtualization technologies that are currently supported.

Yours sincerely,

IBM Passport Advantage Team

Please find attached:

IBM International Passport Advantage Agreement, Attachment for Sub-Capacity Licensing Terms (Z125-7174-02)
Customer Notification Letter dated April 7, 2009