

Microsoft Open Value

Program Guide

Microsoft | Volume Licensing



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Understanding Your Licensing Options

There are several ways to acquire Microsoft® software licenses, depending on your needs and the number of licenses required. Microsoft Volume Licensing programs, such as Open Value, may be the right choice for your organization if you need multiple copies of Microsoft software products and want to take advantage of the additional benefits offered.

Typically, customers acquire Microsoft software products in one of three ways:

Full Packaged Product (FPP) – Licenses for boxed, shrink-wrapped software that are purchased through retail outlets in small quantities.

Original Equipment Manufacturer (OEM) or System Builder – Computer manufacturers can preinstall Microsoft software and provide legal licenses.

Volume Licensing – If you are getting more than five copies of Microsoft software, Volume Licensing can provide potential savings, flexible license acquisition, ease of deployment, and payment options. Microsoft Open Business and Open Value are the Volume Licensing programs for small and midsize organizations.

	Open Value	Open Business	OEM	FPP
Initial purchase	5 licenses ¹	5 licenses	1 license with a complete system	1 unit
Single agreement for multiple entities	Yes ²	No	Not applicable	Not applicable
Reordering	Yes, until 3 years after the agreement was entered into	Yes, until 2 years after the agreement was entered into	Not applicable	Not applicable
Product portfolio	Nearly all business-oriented products	Nearly all business-oriented products	Limited ³	Nearly all business-oriented products
Software Assurance	Included	Optional	Add through Open Value or Open Business ⁴	Add through Open Value or Open Business ⁵
Downgrade rights	Yes	Yes	No, with a few exceptions	No, with a few exceptions ⁶
Subscription	Optional ⁷	No	No	No

¹ A license is either a license with Software Assurance or only Software Assurance. Buying Software Assurance (SA) without a license can be done when you want to renew SA that has been purchased through a previous agreement, or when you want to add SA to an OEM license.

² Limited to entities in the same region.

³ Products available through an OEM license are Microsoft Windows XP, Microsoft Windows Server, Windows Small Business Server, and several Microsoft Office products.

⁴ Software Assurance can be added to OEM licenses for up to 90 days after licenses acquisition.

⁵ Software Assurance can be added to Full Packaged Product licenses for desktop operating systems and server products for up to 90 days after licenses acquisition.

⁶ For example, Microsoft Windows® XP Professional can be downgraded, but Microsoft Office 2003 cannot.

⁷ Not available in North America.

Spread payments	Yes, optional ⁸	No	No	No
Price protection	Yes ⁹	No	No	No
Standardization benefits	Yes, reduced pricing, price protection and additional SA benefits	No	No	No
Install before you order	Yes, monthly ordering	No	No	No
Web-based license management	Yes	Yes	No	No
Media includes	Yes, also for new versions	No	Yes	Recovery media included depending on hardware vendor
Product Activation	No	No	Yes	Yes ¹⁰

If you have several licensing agreements, or a mix of volume licenses and OEM licenses, you know license tracking can be a challenge. Now, with Microsoft Open Value, all your Microsoft software can be covered on a single license agreement.

Microsoft Open Value Overview

The Microsoft Open Value program was designed specifically for small and midsize organizations with 5 or more desktop PCs who want simplified license management, and better control of their software costs and investment.

Open Value offers the advantages of Software Assurance, Microsoft’s enhanced maintenance program that helps you get the most out of your software through each phase of software management. Access to valuable benefits such as training, deployment planning, software upgrades, and product support help you increase the productivity of your entire organization.

Open Value provides flexibility to license only those computers that need to be licensed. Additional cost savings are available when standardizing desktop software company-wide.

Open Value offers many benefits:

Simplified License Management

- Provides a single agreement for all the Microsoft software products within a territory, including qualified affiliates in other countries.
- You can upgrade at any time – no need to track versions or open new agreements.

⁸ Open Value Subscription only offers annual spread payments.

⁹ Price protection is provided for subsequent payments. Open Value Company-wide also provides price protection for subsequent orders for company-wide products. Price protection applies to list prices and not promotional prices.

Open Value Subscription provides price protection for all previously ordered products.

¹⁰ In most cases, your hardware vendor will complete Product Activation for you as part of the installation procedure.

- You can transition new OEM licenses onto your agreement by purchasing Software Assurance.

Take Control of Your Investment

- You receive rights to new versions of licensed software to deploy at your convenience.
- You can upgrade software company-wide while staying within budget.

Better Management of Your Software Costs

- Spreading payments reduces up-front costs and helps you get all the licenses you need today.
- Predictable annual payments make budgeting easier.
- Company-wide licensing provides additional savings.

Open Value Options

You can choose from several Open Value options that are available to meet the needs of a wide range of customers. The subscription option is for organizations that prefer to subscribe to software licenses. For customers who prefer to purchase software licenses, Open Value is available in both company-wide and non-company-wide options. The company-wide option offers simplified license management and additional discounts. Additional information is below.

The following questions can help you determine the best Open Value option for your organization:

- Do you need desktop products (Windows XP Professional Upgrade, Microsoft Office Small Business Edition 2003, Microsoft Windows Small Business Server 2003 Client Access License) or other Microsoft software products?
- If you need enterprise products, do you want to buy licenses (standardize) for all your qualified desktops? If yes, choose either Open Value company-wide or Open Value subscription. These options can give you the best pricing and allow you to manage all your licenses on one agreement.
- If you choose either the company-wide or the subscription option, you will need to buy licenses for all your qualified desktops. Qualified desktops are personal computers and similar devices that are used for the general benefit of the enterprise (as opposed to servers or computers and systems dedicated exclusively for line-of-business software such as accounting systems).
- If you do not need enterprise products or licenses for all your qualified desktops, you should acquire your licenses through Open Value Non-company-wide option.

Open Value Company-wide Option

Open Value Company-wide option offers predictable annual payments, low long-term costs, and a simple way to manage licenses. You agree to acquire licenses and Software Assurance for the software you select for all your qualified desktops. An annual desktop price based on your count of qualified desktops allows you to run any software version on any machine.

Company-wide is also attractive if you want to standardize software throughout your organization. Standardization helps to increase security, reduce support costs, and enable company-wide solutions that require a common technology platform. Benefits include:

- Count your qualified desktops at the beginning of the agreement to determine your annual cost.
- Receive additional savings on company-wide licenses.
- Pay a per-desktop license price for new licenses in month of installation.
- Spread costs over remaining years.
- Add software products at any time and pay for it in the month of installation.
- Transition OEM licenses onto your Open Value agreement by purchasing Software Assurance.

You need to acquire at least one of the following platform product licenses for each qualified desktop in your organization:

- Microsoft Windows Professional Desktop Upgrade
- Microsoft Office Professional Edition 2003 or Microsoft Office Small Business Edition 2003
- Microsoft Core CAL (server client access license) or Windows Small Business Server CAL

After purchasing at least one of these licenses for each qualified desktop company-wide, you may add additional licenses as you need them. For example, you can license all your desktops to run Office Professional. You may then purchase licenses for Microsoft Office Visio® Professional 2003 (or any other Microsoft software available through Volume Licensing) for individual computers as needed.

You may elect to add another platform product company-wide after the start of the agreement; however, Microsoft does not extend any discounts for company-wide platform product purchases after the agreement is initiated.

Open Value Subscription Option

Customers in some regions may choose to subscribe to, rather than acquire, Microsoft software. Microsoft Open Value subscription (not available in North America) provides the lowest up-front costs with flexibility to reduce your total licensing costs in years when your desktop PC count declines. Typical subscription customers are looking to build or maintain an information technology infrastructure on a standard platform of products to respond rapidly to a changing business environment.

With Open Value subscription, you pay a single price per desktop to deploy Microsoft technology across your organization during the term of the agreement.

- You can receive additional savings off the first-year reference price on platform software, including Microsoft Windows, Microsoft Office, and CALs for current versions of platform product software that you are transferring from a perpetual license to subscription.

- Count your desktop PCs once per year and place your annual purchase order for the then-current number of desktops.
- Add the company-wide software products you have selected on new desktop PCs during the year with no additional cost that year.
- Your total licensing costs can decline in years when your PC count declines.
- Track all licenses on a single agreement.
- A buyout option is available for those who want to retain their software licenses when the agreement expires.
- If you choose the buyout option, you can continue benefiting from Software Assurance by starting a new Open Value agreement for Software Assurance only.

As with the company-wide option, you need to acquire at least one of the following platform product licenses for each qualified desktop in your organization:

- Windows Professional Desktop Upgrade
- Office Professional Edition 2003 or Office Small Business Edition 2003
- Microsoft Core CAL or Windows Small Business Server CAL

Platform Options

With both Open Value subscription and Open Value Company-wide options, you have the additional choice to standardize desktop software on all three Microsoft platform options available with either the professional desktop platform or the small business platform. The platform option provides the simplest desktop license management solution. Instead of individual licenses for Microsoft Windows, Microsoft Office, and server CALs, the platform option provides a single license per desktop.

Licensing management becomes as simple as counting desktop PCs because there is no need to track which version is installed on which desktop PC. Microsoft also offers additional discounts selecting the platform option with easy to understand, single cost per desktop for Microsoft Windows, Microsoft Office, and server CALs pricing.

Open Value Non-company-wide (Without the Subscription or Company-wide Options)

If you need licenses for servers, or for just some of your desktop PCs, you can open a non-company-wide agreement. You can take advantage of spreading annual payments for the licenses and upgrade rights and other benefits that come with Software Assurance. Customers who do not wish to standardize their desktop PCs can obtain all licenses through Open Value and manage all those Microsoft licenses through a single agreement.

Opening an Open Value Agreement

Open Value is offered through authorized resellers worldwide who can help you evaluate your needs and select the right Open Value option for your organization.

Open Value Agreement Details

Order Process

Your reseller counsels you and processes your Open Value agreement:

- Your reseller coordinates with you and collects information on order requirements, such as agreement options, qualified desktop count, affiliate information, and languages required.
- Your reseller enters order information into Microsoft eAgreement and places the order.
- You receive an e-mail with instructions to log on and electronically sign the agreement or you can sign and mail a paper copy. Your order is processed when the signed agreement is received electronically or in paper form.
- Microsoft accepts the agreement and processes the order.
- Confirmation is sent to you and your reseller with the effective date of the agreement.
- You receive a letter with instructions to access the Microsoft Volume Licensing Web site (MVL) licensing and Software Assurance benefit administration site, where you can get your Volume Licensing Product Keys.

Spread Payments or Pay Up-front

Open Value lets you choose to spread payments annually or pay up-front . If you decide to pay up-front—for example, to get the costs into the current budget year—you still have the ability to spread payments on future orders.

Minimum Initial Purchase

The minimum purchase level for Open Value is five licenses with Software Assurance. For company-wide and subscription, all qualified desktops must be licensed.

Renewing customers may open an Open Value agreement with Software Assurance for five licenses.

Agreement Term Length

Open Value agreements have a three-year agreement term and three-year renewal option.

With the company-wide and non-company-wide options, at the end of the three-year agreement, you can either renew for another three years, paying only for Software Assurance, and continue to enjoy rights to latest software versions as well as other benefits, or stop and own the licenses for the most current software version that is available when your agreement expires.

With the subscription option, at the end of your three-year agreement, you can renew for another three years. Or you can make a final buyout payment if you would like to own licenses for the latest version that is available when your agreement expires.

Products

Open Value customers can select from Desktop Professional and Small Business platform products, plus additional software products.

The set of software products that you can license through Open Value depends on the options that you choose:

- If you choose Open Value (without the company-wide option), you can choose from all platform products and additional products.
- If you choose Open Value with the company-wide option you can choose from all platform products and additional products. If you do not wish to license a platform product company-wide (i.e., for all your PCs), then you can order any number of the platform products you like as additional products.
- If you choose Open Value Subscription, you can choose one or more platform products that you wish to license company-wide. You can then add any additional product for any number of systems. Microsoft Exchange and Microsoft Windows client access licenses (CALs) are not available as additional products through Open Value Subscription. Any platform product must be purchased company-wide.

Platform Products

Here are the available platform products for the company-wide and subscription options:

Desktop Professional Platform	Small Business Desktop Platform
Office Professional Edition 2003 Core CALs (client access licenses for Microsoft Windows Server™, Microsoft Exchange Server, Microsoft SharePoint® Portal Server; Configuration Management License for Microsoft Systems Management Server) Windows XP Upgrade	Office Small Business Edition 2003 Windows Small Business Server CAL Windows XP Upgrade

Additional Products

Applications such as Microsoft Office Visio, Microsoft Office FrontPage®, Microsoft Office Project and Microsoft Office OneNote®.

Server products such as Windows Server, Microsoft Exchange Server, Windows Small Business Server, Microsoft Internet Security & Acceleration (ISA) Server, Microsoft BizTalk® Server, Microsoft SQL Server™, Microsoft Host Integration Server, Microsoft Commerce Server, Microsoft Dynamics™ CRM, Microsoft Operations Manager, Microsoft Office Project Server, Microsoft Office Business Scorecard Manager.

Pricing

Open Value Discounts

Open Value offers complimentary media kits, spread payments, and other Software Assurance benefits not available through Open Business and Open Volume. Microsoft offers savings for licenses under the company-wide and subscription options and additional savings on platform products.

Following are discounts off the local reference price to distributors. Resellers set the price to the customer, so pricing may vary.

Open Value Company-Wide Discounts

- Discounts for the company-wide option
- Discounts for the platform option
- Discounts for the 250-plus desktop PC option

Open Value Subscription Discounts

(Subscription not available in North America)

- Up-to-date discount (UTD) in the first year of the agreement for converting qualifying perpetual licenses to subscription
- Discounts for the platform option
- Discounts for the 250+ desktop PC option

If you have up-to-date software products when you sign up for Open Value Subscription, you can receive UTD discount on the first year license cost of the platform products you have selected through your agreement for which you are licensed with current version licenses. Platform products are: Office Professional, Office Small Business Edition, Core CAL, Windows Small Business Server CAL, Microsoft Windows Upgrade, Desktop Professional Platform, and Small Business Platform.

Price Protection

To help you with your budget process, Microsoft’s prices for licenses ordered under the subscription option will not change during the first term of your Open Value agreement. The price protection for a product starts when you first order a platform product. Resellers set the final prices, so be sure to check with your reseller on pricing.

In Open Value Company-wide option, platform products have price protection, but additional products do not. If you choose spread payments for a purchase order that you place through your Open Value agreement (with or without the company-wide option), then the pricing for subsequent payments does not change, even if the price for that particular product has increased in the meantime. Price protection does not apply to promotional prices. The price that is protected is the list price at the time of purchase and not the promotional price.

Languages

When you enter into an Open Value agreement, you must select a language option:

Worldwide (except EMEA)

Enterprise Products	Additional Products
All Languages	MUI
Listed Languages	English Languages
	Unlisted Languages
	Individual Languages (specifically listed)

EMEA

Enterprise Products	Additional Products
All Languages	MUI
Listed Languages	English Languages
European Languages	Unlisted Languages
EEL	Individual Languages (specifically listed)
	EEL

- Individual language: Is described in the SKU.
- All languages: Includes all languages offered for a specific product. Customers who sign up for the “All languages” category are eligible to use the Multi-Language Packs for company-wide products and additional products licensed under their agreement.
- Listed languages: Listed languages are specified in the agreement, as of writing this document. Languages can include: Arabic, Bulgarian, Croatian, English, Hebrew, Indic, Japanese, Korean, Romanian, Russian, Serbian, Simplified Chinese, Thai, Traditional Chinese, Turkish, Ukrainian.
- Unlisted languages: These are all available languages not listed on a price list.
- European languages: Danish, Dutch, English, Finnish, French, German, Greek, Italian, Portuguese, Spanish, Swedish, Norwegian
- Extended European languages: Includes specific languages in Eastern Europe – Czech, Estonian, Hungarian, Latvian, Lithuanian, Polish, Slovak, and Slovenian
- English/Multi-language

Language versions through Open Value are dependent on the languages available in the particular software product. You have the flexibility to select the local language for your affiliates, which can be included under a single agreement within your territory.

Cross-language use rights allow you to use any language versions of licensed software as long as the language versions in use are priced the same as or less than the original version.

Software Assurance on OEM Licenses

Licenses for products installed by original equipment manufacturers (OEMs) can be added to an Open Value agreement. Many Open Value customers want to add their OEM license purchases to an Open Value agreement so they can easily track all licenses online under a single agreement.

You can include the OEM licenses in Open Value by purchasing Software Assurance (SA) for the OEM licenses within 90 days of acquisition and the Software Assurance costs will be prorated. You will then be able to track the Software Assurance for those OEM licenses online through Microsoft Volume Licensing Services (MVLS).

You will not be able to add Software Assurance for the OEM licenses with the Subscription option since you are not purchasing licenses or Software Assurance, but you are simply subscribing to use the latest software with built-in Software Assurance benefits.

Covering Affiliates in Your Territory

Affiliates in other countries may be able to be included on your Open Value agreement, which can help centralize your purchasing and reduce random purchase orders from remote offices. An affiliate is a legal entity that you own, which owns you, or which is under common ownership with you. Ownership is defined as more than 50 percent ownership. Qualifying affiliate means an owned affiliate located within the same region or territory.

With company-wide and subscription options, the enterprise must consist of entire legal entities, not partial entities such as departments, divisions, or business units. Each affiliate must be entirely “included in” or entirely “excluded from” the agreement. Entities that decide to participate are referred to as “enrolled affiliates”. In the agreement, you can choose between:

- Excluding all your affiliates
- Including a set of affiliates that you specify in the agreement
- Including a set of affiliates that you specify in the agreement, and automatically include all your future affiliates

See the Microsoft Open Affiliate Participation page at <http://www.microsoft.com/licensing/programs/open/openregional.mspx> to determine which countries can include affiliates within your territory on a centralized Open Value agreement.

See the Appendix at the end of this document for a description of regional differences in the Open Value program.

Media

Your Open Value agreement grants you permission to legally copy and use multiple copies of the licensed software, per terms of your agreement. You will receive media for each licensed software title at no charge, and you can also purchase additional copies through your reseller. Media may also include printed materials such as users’ guides and product manuals.

You will also receive media for each new release of software licensed through the Open Value agreement.

Choosing Software Assurance In Company-Wide

Open Value and Open Value Company-wide are very attractive if you want to renew Software Assurance for licenses with current or expiring Software Assurance previously acquired through Open Business or Open Volume. Such a renewal can be done without having to buy licenses again if you do so within 90 days after Software Assurance expires (i.e., within 90 days of the end date of the Open Business or Open Volume agreement through which you purchased Software Assurance).

If you choose Open Value without the company-wide option, then you can order Software Assurance for licenses with current or expiring Software Assurance at any time during the Open

Value agreement. The same process is true for additional products that you would like to order through an Open Value agreement with the company-wide option. However, for company-wide product licenses such as Office Professional, you may only renew Software Assurance at the start of the agreement. The standardization on which the company-wide option is based assumes that you order Software Assurance for the number of qualified desktop PCs at the initiation of your Open Value Company-wide agreement, even if the licenses are already covered with Software Assurance through another agreement that has not yet expired.

Adding Licenses to an Agreement

Open Value (Without Company-Wide Option)

You may add additional licenses with Software Assurance for previously ordered products and you may also obtain licenses with Software Assurance for products not previously ordered at any time during the course of your agreement. You are allowed to install any number of copies of any product available through your Open Value agreement as long as you place a purchase order with your reseller before the end of the month in which you carried out the additional installations.

You may add Software Assurance for licenses with Software Assurance acquired through other expiring agreements at any time during the agreement.

Open Value (with Company-Wide Option)

Company-Wide Products

For all company-wide platform products that you have chosen, you must place a purchase order for all your qualified desktop PCs at the start of your agreement. Depending on the type of license (OEM, FPP, or Volume Licensing) and the purchase date, you may order only Software Assurance or a license with Software Assurance.

If the total number of desktop PCs among the enrolled affiliates increases, then you must order additional licenses for the company-wide platform products that you have chosen in order to maintain standardization. This order must be placed before the end of the month in which the new desktop PCs are placed in service.

The set of company-wide products that you choose cannot be changed during the agreement.

Additional Products

You can order licenses with Software Assurance for additional products at any time during your Open Value Company-wide agreement. If you need licenses for an additional product, you must place a purchase order before the end of the month in which you install the copy or copies of the additional product.

You may add Software Assurance for licenses with Software Assurance acquired through other expiring agreements at any time during the agreement.

Open Value Subscription

Company-Wide Products

For all company-wide products that you have chosen, you must place a purchase order for all your qualified desktop PCs at the start of your agreement. You must place an annual purchase order with your reseller on the first and second anniversary of the agreement for the then-current number of qualified desktops in order to maintain standardization. The set of company-wide products that you choose cannot be changed during the agreement.

Additional Products

You can order licenses for additional software products at any time during your Open Value Subscription agreement. If you need licenses with Software Assurance for an additional software product, you must place a purchase order before the end of the month in which you install the copy or copies of the additional product.

Pay for Licenses

Price Protection

Open Value provides price protection for subsequent payments. Open Value Company-wide and Open Value also provide price protection for subsequent orders for the company-wide products that you have chosen. Open Value Subscription also provides price protection for subsequent orders for previously ordered additional products.

“Price protection” means that Microsoft guarantees the price to the distributor. You agree on final pricing with your reseller.

Anniversary Order Reminders

If you choose to spread out payments annually on your Open Value agreement, you will pay for the first year and the subsequent years on the agreement anniversary dates. Just prior to the anniversary date, you will receive reminder notices to place your annual order and pay your reseller on a new purchase order. Your reseller can help you with the part numbers for your orders.

If you have chosen Open Value or Open Value with the company-wide option, then the number of licenses that you order on your annual purchase order should be at least the same as the total number of licenses ordered through previous orders.

Open Value Subscription allows you to reduce the number of licenses on each anniversary of the agreement if the number of desktop PCs has decreased (company-wide products) or if you need fewer copies (additional products).

Software Assurance Pro-ration

When you add licenses with Software Assurance or Software Assurance between anniversaries with Open Value (with or without the company-wide option), you pay for the full year. While there is no credit for Software Assurance your organization does not use that year, there is an annual pro-ration, so you pay only for the years you used it. For example, if you add licenses in year two of your agreement, you pay for years two and three.

When you add licenses with Software Assurance between anniversaries with Open Value Subscription (which only needs to be done for additional products—adding licenses for company-wide products happens on the agreement anniversary), you pay the annual subscription fee for that year. The subscription fee includes the license as well as the Software Assurance.

Desktop Adjustments After Initial Order

Typically with new software licenses, customers pay first and then install the software. With Open Value, you can install first and pay later. The Open Value Subscription option lets you “true-up” (add licenses) or “true-down” (reduce the number of licenses) annually with your year-end report of qualified desktops and adjust payments up or down accordingly. If there are fewer qualified desktops in use on the anniversary of the agreement, total subscription costs can be reduced. The ability to true-up or true-down can be advantageous for organizations in transition.

With Open Value Company-wide and Non-company-wide (perpetual) options, you adjust your license count to true up monthly as required, but you cannot true down.

Step-ups for Higher Software Version

A step-up is a part number that allows you to trade up to a higher software edition—for example, from Office Standard Edition to Office Professional or from Windows Server Standard Edition to Windows Server Enterprise Edition. The step-up for Open Value acknowledges that you had a previous version and allows you to pay a price differential between the edition that you bought and the one that you want to buy; whereas some other Volume Licensing programs require a customer to purchase a new license for the higher version. Platform products may not change versions during the term of the agreement.

Step-up part numbers are only available through Open Value and Open Value Company-wide. If you want to step-up using your Open Value Subscription agreement, you simply reduce the number of licenses for the edition that you used and increase the number of licenses for the edition that you want to use. Note that synchronizing such a step-up with the anniversary of your agreement helps you reduce cost: A license reduction can only be done on the anniversary of the agreement; whereas incremental licenses must be ordered before the end of the month in which they are first deployed.

Audit Clause

For the term of the Open Value agreement, plus any renewal term and one year after, you must keep all usual and proper records relating to the software products you and your affiliates run. Microsoft may request that you conduct an internal audit of all Microsoft software products in use throughout your organization, comparing the number of software products in use to the number of effective licenses issued in your name, at any time up to one year after the agreement expires. Following any audit, you agree to deliver to Microsoft a written statement signed by an authorized representative of your organization, certifying that either you have sufficient licenses or you have ordered sufficient licenses to permit all usage disclosed by the audit. By requesting an internal audit, Microsoft does not waive its rights to enforce this agreement or to protect its intellectual property by any other means permitted by law.

Expiration of Agreement/Renewals

When your Open Value agreement expires, you have several choices, depending on the licensing option that you originally chose.

Company-Wide and Non-Company-Wide Options:

You can renew your agreement for another three-year term, purchasing only Software Assurance on your licenses from the expiring Open Value agreement to continue accessing the latest software versions and other benefits. Or, you can let the agreement expire and own the rights to the current version at the end of your agreement term, but you will no longer continue receiving Software Assurance benefits or upgrade rights.

Subscription Option:

- You can renew your agreement for another three-year term and continue enjoying the latest software products and other benefits, or
- You can make an optional buyout payment to own the licenses for the current version at the end of your agreement, or
- You can choose to not renew your agreement and forfeit the rights to use the products.

Grace Period

When your three-year agreement expires, you will have a 30-day grace period to renew your agreement and continue benefits. The subsequent agreement will be backdated to the end date of the original three-year agreement term. If you do not renew your agreement during this grace period and wish to continue your Open Value benefits, you will need to start up a new Open Value agreement.

Software Assurance at Agreement Expiration

If you do not renew Software Assurance after your company-wide or non-company-wide agreement expires, in order to receive Software Assurance again, you must obtain both a license and Software Assurance on your order.

Early Termination

Per the Open Value agreement, either party may terminate the agreement only in the event of a material breach by the other party, upon 30 days written notice and with opportunity to correct any issues. If you terminate your Open Value agreement before the end of the three-year term, you must order all copies of products that you have installed but not previously ordered and pay immediately for all unpaid licenses.

Other Program Benefits

Open Value offers numerous program benefits including Software Assurance and Microsoft Volume License Services (MVLS).

Software Assurance

Open Value includes Software Assurance, Microsoft's enhanced maintenance program that helps you get the most out of your software. Access to valuable benefits such as training,

deployment planning, software upgrades, and product support can help you increase the productivity of your entire organization.

Here are details on Software Assurance benefits throughout each phase of software management.

Stage	Benefit	Description
Planning Stage	New Version Rights	With Software Assurance, you receive new versions of licensed software products released during the term of your agreement to deploy at your own pace as they become available. You can reduce the costs associated with acquiring new version releases and immediately take advantage of the latest technology.
	Spread Payments	You can make payments annually, instead of making one up-front payment. This helps enable you to reduce initial costs and forecast annual software budget requirements up to three years in advance.
Deployment Stage	Packaged Services: Information Work Solution Services	These one- to three-day partner-managed workshops help IT teams learn how desktop applications help support deployment, security, and infrastructure business goals like project prioritization. You will also learn how to implement high-value projects in the IT environment to maintain or accelerate productivity. Workshops include Information Work Business Value Discovery and Information Work Architectural Design Session.
	Microsoft Windows Pre-Installation Environment (WinPE)	This is a tool based on Windows Server 2003 and Windows XP Professional that allows IT staff to build custom solutions that speed up deployment through automation so they spend less time and effort keeping desktops updated. WinPE can run Windows setup, scripts, and imaging applications.
Using Stage	Training Vouchers	You will receive training vouchers for training on select courses from Microsoft Certified Partners for Learning Solutions (CPLSs), the premier authorized training channel for delivering learning products and services on Microsoft technology. Taking training from Microsoft CPLSs helps you prepare for deployment, enable smoother migration, and stay up to date with the latest Microsoft technologies, giving you the competitive advantage you need.
	eLearning Courses	Microsoft's eLearning provides your employees access to individual, on-demand Microsoft software courses. eLearning can be delivered online or offline and includes simulations, hands-on exercises, and learning assessments.

	Home Use Program	The Home Use Program increases employee productivity and maximizes the value of your Microsoft Office investment by enabling your employees to use Office desktop programs for work or personal needs.
	Microsoft Windows Vista™ Enterprise	Windows Vista Enterprise is optimized for large organizations and includes features such as data protection that safeguard lost or stolen PCs, application compatibility, and the ability to deploy a single image in multiple locations around the world (per availability of Windows Vista), enabling you to lower your deployment and management costs.
	Microsoft Virtual PC Express	Migrate legacy applications during an operating system upgrade in a safe, protected way. Microsoft Virtual PC Express supports a single instance of a virtual operating system (in comparison, Virtual PC 2004 supports multiple instances). Virtual PC Express will be made available to our Software Assurance customers in 2006, ahead of Windows Vista Enterprise.
	Microsoft Employee Purchase Program	The Microsoft Employee Purchase Program gives your employees significant discounts off retail pricing of Microsoft's most popular productivity and consumer products. Using the same software at home and at work provides employees flexibility, and great consumer products offer fun and excitement. This program is a valuable addition to your organization's work/life initiatives. Employees can order discounted software products directly through a password-protected Microsoft-hosted e-commerce site.
Maintenance Stage	24x7 Problem Resolution Support	Software Assurance enables you to be continuously connected with Microsoft for your support needs. You can select the right level of help, when you need it with business-critical 24x7 phone support for all Microsoft server products, Windows, and Microsoft Office System, in addition to unlimited Web support.
	Unlimited Web Support	Complement your business-critical 24x7 phone support with unlimited Web support during business hours, and decide which level of support is best for the issue. This helps you lower your total cost of support and ownership over time and provides a choice for how to utilize your direct connection to Microsoft.
	TechNet Plus Subscription with Two Support Calls/Year	IT professionals have access to TechNet Plus subscription media, featuring resources such as the Microsoft Knowledge Base, software updates, utilities, technical training, and how-to articles to help them succeed. They also have access to additional premium TechNet Plus benefits, including evaluation software without time limits, pre-release versions of Microsoft software products, two technical support incidents per year, and TechNet Plus Subscriber Online Services. IT Professionals can also access TechNet Managed Newsgroups, with over 100 IT-related newsgroups, where they can post technical questions and are guaranteed responses by the next business day.
	"Cold" Backups for Disaster Recovery	Customers with Software Assurance for Microsoft server software, as well as related Client Access Licenses (CALs), are eligible for complimentary "cold backup" server licenses for disaster recovery.

Transition	Extended Lifecycle Hotfix Support	Enter into extended hotfix support agreements (EHSA) as hotfix issues arise. Annual fees and required sign-up periods associated with EHSA are waived for Software Assurance customers, increasing peace of mind and reducing support costs. A Premier or Essential Support agreement is a pre-requisite for eligibility.
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For more details, see the Software Assurance Benefits Guide at:

<http://www.microsoft.com/openvalue>

Microsoft Volume Licensing Services (MVLS) Tracking Tool

Online tracking through Microsoft Volume Licensing Services (MVLS) makes managing your licenses easier. MVLS license management tool is a password-protected Web site that lets you view your license agreements and status, online records, and other license information and Software Assurance benefits. You can access the MVLS site at: <http://licensing.microsoft.com>

Appendix

Regional Differences

Following are the key regional differences in the Open Value program:

Languages

Languages available in Open Value for enterprise products are All Languages and Listed Languages.

Europe/Middle East and Africa regions, European Languages and Extended European Languages are also available.

In Japan All Languages include Japanese, English, English/Multilanguage, and Japanese is the only Listed Language.

Please contact your reseller for the specific options in your region.

Options Available

In North America, the company-wide and non-company-wide options are available, but not subscription. Open Value will be available in China later in 2006. In all other regions, subscription, company-wide, and non-company-wide options are available.

Platform Offerings

All regions offer both the Professional Desktop Platform and the Small Business Platform, with the exception of Japan, which does not offer the Small Business Platform.

Price Levels

All regions offer one price level, with the exception of Europe/Middle East/Africa, which has two price levels for enterprise products and one price level for additional products.

Territories

When you enter into an Open Value agreement, you select a territory for the agreement and determine if the agreement is to include affiliates. A territory is the Microsoft-defined region where the customer is located. For more details see the Microsoft Open Affiliate Participation page at: www.microsoft.com/licensing/programs/open/openregional.mspx.

In the Europe/Middle East/Africa (EMEA) region, if you are located in the European Union (EU) or European Free Trade Association (EFTA), the territory is the entire EU/EFTA.

Open Value Available Through Resellers

Open Value is available through a large network of resellers worldwide. They can also provide analysis and services such as asset management, deployment, migration, and technical support options. Please visit the Microsoft Volume Licensing Contact page at: www.microsoft.com/licensing/contact/default.mspx to locate a reseller near you.

For additional details on Microsoft Open Value contact your reseller or visit the Microsoft Open Value page at: www.microsoft.com/licensing/programs/open/openvalue.mspx

If you decide to discontinue the relationship with your reseller, then you must choose a replacement reseller in your territory.

Glossary

Affiliates

An affiliate is a company or legal entity that owns, is owned by, or is under common ownership with the customer. Ownership is defined as more than 50 percent ownership. Qualifying affiliate means an owned affiliate located within a single region.

Agreement Number

An Agreement Number is the unique number assigned to the customer by Microsoft after receiving an initial order in a Microsoft Volume Licensing program. Within Open Value, this number allows reorders for three years from the initial signing date.

Client Access License (CAL)

A CAL license authorizes a user to access Microsoft server products and perform certain functions such as file and print sharing or access services such as e-mail. In general, a single CAL is required for each user or device accessing a server, depending on how the server has been licensed and configured.

Core CAL

The Microsoft Core CAL, only available through volume licensing, offers a convenient way to license basic server components across desktop PCs. The Microsoft Core CAL includes CALs for Windows Server, Exchange Server, Systems Management Server (which is called a Configuration Management License or CML), and SharePoint Portal Server.

Company-Wide Option

The Company-wide option provides additional savings within Open Value for organizations that want to standardize on one or two enterprise products or all three enterprise products as a group with the Desktop Professional Platform or Small Business Desktop Platform. The minimum desktop requirement for this license is five desktop PCs.

Customer

A Customer is the company or entity signing an Open Value agreement.

Effective Date

The Effective Date is the licensing agreement start date. Typically, this is the date the contracting Microsoft affiliate accepts the agreement.

Microsoft Software License Terms

Each Microsoft software product includes Microsoft Software License Terms, formerly known as the End-User License Agreement (EULA). The Microsoft Software License Terms cover your use of the licensed product as governed by the terms of your agreement and the product use rights specific to such products.

Estimated Retail Price (ERP)

ERP is a common term for the suggested, estimated price a manufacturer puts on its products for sale in a retail business.

Full Packaged Product (FPP)

FPPs are physical, shrink-wrapped boxes, with one license per box, offered by software retailers. FPP is for those who are looking to acquire a small number of software licenses quickly. When upgrading to a new computer, you may transfer FPP licenses to new hardware no more than one time.

License

A license is any one of those offerings identified in the Microsoft Product List (including standard licenses and upgrades for desktop operating systems) that provide the right to run a specific version of the software product ordered.

License & Software Assurance (L&SA)

An L&SA combines a License and Software Assurance within a single offering.

Media

Media can be materials such as a floppy disk, CD-ROM or DVD for a licensed software product, and may also include printed materials such as a user's guide or product manual.

Microsoft Volume License Services (MVLS)

MVLS is a password-protected Web site that serves as a license management tool for customers. It displays a customer's license status, Software Assurance benefits entitlements, agreement numbers, online records, and other license information.

Non-Company-Wide Option

This is an Open Value option that allows you to pay annually for licenses and upgrade rights on some of your company's desktops or servers.

Original Equipment Manufacturer (OEM)

OEM software licenses are acquired when you buy a computer with software legally preinstalled. If you have ever purchased a computer from the store with Microsoft Windows or Office installed, you have acquired a license for OEM or System Builder software. OEM licenses may be used only on the desktop PC where the software product was preinstalled.

Open Business

This is a Microsoft Volume Licensing program for small and midsize organizations that provides discounts over the estimated retail price (ERP) based on the size of the initial order. The minimum initial order is five licenses.

Subscription Option

This is an Open Value option that allows customers to subscribe through annual payments for the use of Microsoft software, with the ability to make a final buyout payment to own the licenses.

Open Value

This is a Microsoft Volume Licensing program for small and midsize organizations that want the advantages of the latest software and other Software Assurance benefits and the ability to spread payments annually.

Product List

A product list is the statement published by Microsoft from time to time that identifies the products available under a volume licensing program and any product-specific conditions or limitations on the acquisition of licenses for the product.

Product Use Rights (PUR)

PUR refers to use of any product that is licensed by Microsoft is governed by product use rights specific to each product and version.

Qualified Desktops

Qualified desktops are personal computers and similar devices that are used for the general benefit of an enterprise. Qualified desktops do not include computers and systems dedicated to specialized purposes, such as computers designated as a server-only and systems that are exclusively for line-of-business software, like an accounting program used by an accountant, or systems running an embedded operating system.

Reseller

A reseller is an authorized entity that offers Microsoft product licenses to customers.

Software Assurance (SA)

Microsoft's enhanced maintenance program that provides the right to run the latest version of a licensed product and the ability to spread payments annually. Includes additional benefits such as tools, support, and training.

Territory

Territory refers to the country in which the customer is located. If the customer is located in the European Union (EU) or European Free Trade Associate (EFTA), the territory is the entire EU/EFTA.

True Up/True Down

This is the process of adjusting a customer's report in volume licensing for the number of qualified desktops in an organization. With Open Value, customers can install software first and pay later. The Open Value subscription option lets customers "true up" or "true down" annually with their year-end report and make payment adjustments up or down accordingly. With Open Value company-wide and non-company-wide (perpetual) options, customers can true up monthly, but cannot true down.

Windows Small Business Server (SBS) 2003 CAL

Similar to the Microsoft Core CAL, the Windows Small Business Server 2003 CAL provides customers with access rights to Windows Small Business Server 2003 servers for users or devices (or both).

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