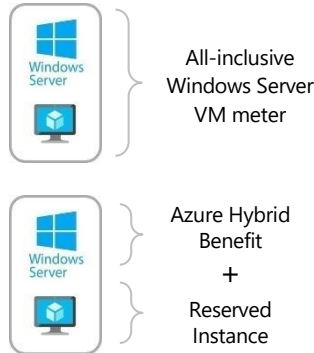


Licensing Azure virtual machines in CSP

Customer options for Windows Server virtual machines

- Customers with short-term or variable workloads are likely to pay for a Windows Server virtual machine on an all-inclusive meter
- Customers with longer-term or predictable workloads are likely to use a Reserved Instance to pay for the base compute component, and to utilize the Azure Hybrid Benefit to license the Windows Server component



Reserved Instances Overview

A way of purchasing Azure base compute with the best price and flexibility by making a commitment to a 1 or 3-year term, a type of virtual machine (D4v3, for example), and an Azure data center (US East, for example)

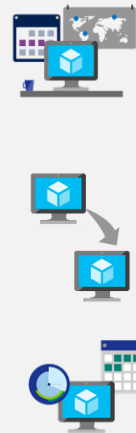
- Payment may be made either upfront or monthly for the 1 or 3-year term
- Reserved Instances may be assigned to a single or all Azure Subscriptions, or to a Resource Group

Reserved Instance flexibility

Reassign: Reserved Instances may be reassigned at any time to a different Azure Subscription or to all Azure Subscriptions, or to a different Resource/Management Group

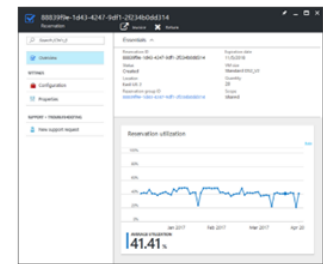
Exchange: Reserved Instances may be exchanged for another RI of any type and in any data center. The unused duration of the original RI is pro-rated, and credit is applied to a new 1 or 3-year term RI

Cancel: Reserved Instances may be cancelled at any time, and refunds are prorated. No cancellation fee is currently charged



Using Reserved Instances

- When a Reserved Instance is purchased, it immediately looks for a matching virtual machine. If a match is found, the compute charges on that virtual machine are stopped.
- Reserved Instance utilization may be checked using the Azure Management Portal



Windows Server Subscriptions Overview

Windows Server Subscriptions are subscription licenses for Windows Server which include the Azure Hybrid Benefit, enabling customers to assign these licenses to either on-premises or Azure virtual machines. Server Subscriptions are only available through CSP.



Terms

- 1 or 3-year subscriptions
- Upfront payment

Windows Server Subscriptions are not automatically assigned to Windows Server virtual machines. Licenses are manually allocated by enabling the Azure Hybrid Benefit at any time for new or existing virtual machines, which immediately stops the charges for Windows Server.

Using Windows Server Subscriptions

Windows Server Standard and Datacenter Core licenses are sold in packs of either 2 or 8 licenses.

- A minimum of 8 Core licenses must be assigned to each Azure virtual machine, and additional Core licenses must be assigned to larger virtual machines
- For example, a 2-core virtual machine requires 8 licenses, and a 20-core virtual machine requires 20 licenses
- Windows Server CALs are not required when accessing virtual machines in Azure