ATTACHMENT FOR SERVICE PROVIDERS REFERENCE SHEET

DESCRIPTION

The IBM International Passport Advantage (PA) Agreement Attachment for Service Providers is required for Service Providers that acquire IBM software through a PA Agreement, hold the license to that software, and use that software to provide information technology services (e.g., web hosting services) to customer end users outside the Service Provider's enterprise.

Service Providers that require the attachment are typically described as xSPs where x is the variable describing the Service Provider's business model (e.g., Application Service Provider).

The Attachment for Service Providers must be executed in conjunction with a separate PA Agreement for IBM software acquired by the xSP for use in providing information technology services (IT services) to customer end users. The xSP may not lease or rent the software to customer end users.

xSPs obtaining IBM software though a PA Agreement for internal use within their own enterprise must have a separate PA Agreement established for that software.

The Attachment for Service Providers is required only for IBM software acquisitions made through a PA Agreement for use in providing IT services to customer end users. The attachment does not apply to Passport Advantage Express or to a PA Government or Academic offering.

BENEFITS

The Attachment for Service Providers provides terms and conditions to support the typical xSP business model, including the following:

- The ability to hold the license to the IBM software used to provide IT services to customer end users (i.e., users outside the xSP's own enterprise)
- The ability to use a particular software license in support of more than one customer end user, as long as at any one time the xSP has sufficient licenses in place to support all their customer end users. Example, if the xSP terminates an agreement with one of their customer end users, the software used to provide services to that particular end user could then be used to the same extent to provide services to a different customer end user.

TARGET AUDIENCE xSPs that have a business model which calls for them to be the licensee of the IBM software, and that offer a service to their customer end users which includes some significant value over and above the value of the IBM software are the target audience for the Attachment for Service Providers. In this business model, the xSP is responsible for software maintenance (product updates and technical support) of the IBM software used by their customer end users in service provisioning engagements.

> Some xSPs have a different business model in which they prefer to resell IBM software along with their own service offerings to customer end users. In this model, the customer end user of the xSP's services would be the licensee of the IBM software, and the xSP would be considered as a software reseller. The Attachment for Service Providers is not designed for xSPs acting as software resellers. xSPs that have a business model in which they are not the licensee of the IBM software are encouraged to review other IBM offerings available under PartnerWorld to determine if those offerings are more appropriate to support their business model. Information relating to these offerings is available at: http://www.ibm.com/partnerworld.

CRITERIA

To execute the Attachment for Service Providers offering, xSPs must :

Provide documentation (e.g., external web site or sales literature) publicizing their service provisioning business model

- Provide added value in customer engagements beyond the value of the IBM software used in service provisioning
- Complete and submit the Request for Approval Form to execute the PA Agreement Attachment for Service Providers
- Receive approval from IBM to execute the PA Agreement Attachment for Service Providers
- Establish a separate and distinct PA Agreement in conjunction with the Attachment for Service Providers for the acquisition of IBM software to be used solely in providing IT services to customer end users outside the xSP's own enterprise.

CONTRACT STIPULATION

xSPs must accept and execute the terms and conditions of the IBM International Passport Advantage Agreement and the Attachment for Service Providers. The PA Agreement with the Attachment for Service Providers is exclusively for the purpose of obtaining IBM software in support of the xSP's service provisioning business, and may not be used to obtain software for internal use within the xSP's own enterprise.

Once the PA Agreement with the associated Attachment for Service Providers has been created, the xSP may order software under this agreement for service provisioning to customer end users using the standard software fulfillment channels for Passport Advantage.

The Attachment for Service Providers cannot be added to an existing PA Agreement which an xSP may already have established or plans to establish in the future in order to obtain software for internal use within their own enterprise.

Acquisition and use of Tivoli or Rational software by xSPs for service provisioning with external customer end users requires a review and approval by Tivoli and/or Rational. Please contact your IBM representative for information relating to this topic.

Note to IBM representative:

For information on the acquisition and use of Tivoli or Rational software by xSPs for service provisioning, please go to: http://w3software.ibmus2.ibm.com/americas/help/xSP/adddoc.html