All You Ever Wanted to Know About
Passport Advantage Trade-up Parts

Passport Advantage Trade-up Offerings
Version 3: May 16, 2013.

- **Purpose/Reason for this document**

  - This document has been created to inform customers about the contractual terms, policies, and procedures concerning the proper use of trade-up parts under Passport Advantage and Passport Advantage Express.

- **The Offering Types**

  - There are two types of trade-up license parts offered - (1) Competitive trade-ups, and (2) IBM trade-ups. Both are intended to provide an incentive price for a product because you already have at least one of the required qualifying products. These two types and their respective features and requirements of use are described in detail later in this document.

- **Differences between standard licenses and trade-up licenses**

  - The differences are the pricing (trade-ups are lower in price than their standard license counterparts), and the requirement that you give up your right to use the product(s) that qualified you to obtain the replacement product licenses at trade-up prices.

  - The specific terms associated with the use of trade-up parts can be found in the applicable Passport Advantage or Passport Advantage Express Agreements which can be found here: PA Agreements & Forms

    For Competitive trade-ups, Passport Advantage terms state, in part: "Licenses for certain Programs that replace qualifying Non-IBM Programs may be obtained for a reduced charge. You agree to terminate your use of the replaced Non-IBM Programs when you install the replacement Programs."

    For IBM trade-ups Passport Advantage terms state: "Licenses for certain Programs that replace qualifying IBM Programs may be obtained for a reduced charge. You agree to terminate your use of the replaced IBM Programs when you install the replacement Programs."

- **Availability of Trade-ups for Passport Advantage Eligible Products**

  - Trade-up parts are only available for certain products. A given product may offer either no trade-ups, competitive trade-ups only, IBM trade-ups only, or both competitive and IBM trade-ups.

  - Trade-up parts cannot be obtained through online ordering portals such as Passport Advantage Online eOrdering or the IBM Software Online Catalog (ibm.com/software).

- **Competitive Trade-ups**

  - Competitive trade-up licenses can only be used when a qualifying competitor's product is being displaced by the IBM product.

  - The qualifying competitive product(s) for a competitive trade-up part are often explicitly stated in the part description, in which case, the part is self-documenting.

    For competitive trade-up parts whose descriptions are not self-documenting, or to determine if another competitive product other than that specifically called-out in the

part description qualifies for trade-up use, you should consult your IBM or Business Partner representative.

- You will need to provide evidence of your current licensing of the qualifying product (product name, and level of licensed use) in order to obtain the trade-up parts.

  Your IBM or Business Partner representative can help you determine what documentation you need to provide.

- When offering a trade-up part, your IBM or Business Partner representative will always apply an "equivalence" concept against your installed-base of the qualifying competitive product being displaced.

  Because competitive trade-ups may only be used where a competitive product is being displaced, trade-up parts may only be obtained in a quantity that provides an equivalent level of licensed use of the IBM product. That doesn't necessarily mean the license quantities need to be identical, only that the end result must be equivalent. One reason why the quantities may be different concerns the way IBM and the vendor of the qualifying competitive product license their respective products - what IBM often refers to as "license metrics". IBM may offer the product on a capacity basis, such as per Processor Value Unit or per server, whereas you may have licensed the competitive product as per user, or per processor, for example.

  The important word is "equivalence". An example of something that would **not** meet this equivalence test is where a customer currently uses Microsoft Outlook clients plus Microsoft Exchange Server to service the mail needs of a 100-person department in their organization, but wants to buy CEO Lotus Communications using only trade-up parts for their entire Enterprise of 1000+ users.

- **IBM Trade-ups**
  - IBM trade-up licenses can only be used where IBM has announced a defined path for migration from one IBM product to another and for which IBM intends to provide preferential pricing because of your previous licenses.

  - The qualifying IBM product(s) for an IBM trade-up part are often explicitly stated in the part description, in which case, the part is self-documenting.

    For IBM trade-up parts whose descriptions are not self-documenting, or to determine if another IBM product other than that specifically called-out in the part description qualifies for trade-up use, you should consult your IBM or Business Partner representative.

  - You may be asked to provide evidence of your current licensing of the qualifying IBM product (product name, and level of licensed use) if IBM or your Business Partner cannot find documentation that confirms your eligibility to obtain the trade-up parts.

    Your IBM or Business Partner representative can help you determine what documentation you need to provide.

  - When offering a trade-up part, your IBM or Business Partner representative will always apply an "equivalence" concept against your installed-base of the qualifying IBM product being replaced to ensure like-for-like replacement. That doesn't necessarily mean the quantities need to be identical, only that the end result must be equivalent. One reason why the quantities may be different concerns the way the qualifying product and the "to" product are licensed - what IBM often refers to as "license metrics". We may have offered the qualifying product on a per server basis, but offer the "to" product using per Processor Value Unit or per user licensing. The important word is "equivalence".

- **Other Additional Information – Software Subscription and Support**

- When you obtain trade-up licenses that include 12 months of Software Subscription and Support for the "to" product, any Software Subscription and Support associated with the qualifying product licenses you give up per the terms associated with obtaining trade-up parts becomes void. No rebates are given in respect of the voided Software Subscription and Support.

- **Other Additional Information – Dual Use during Migration**

  - When obtaining PA Trade-up licenses, you give up the right to use the products that qualified you to obtain trade-up pricing. However, it is allowable for you to use both products concurrently during the migration period from one to the other, which is not to exceed 90 days, per IBM's Temporary Additional Use policy located here: http://www.ibm.com/software/sla/sladb.nsf/pdf/policies/$file/tempaddluse.pdf