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INTRODUCTION TO THE MICROSOFT SERVICES PROVIDER LICENSE AGREEMENT

With the Microsoft® Services Provider License Agreement (SPLA), services providers and independent software vendors (ISVs) can license Microsoft products on a monthly basis, during a three-year agreement term, and use these products to provide software services and hosted applications to their customers.

While other Microsoft Volume Licensing programs, such as Enterprise Agreement, Select License, and Open Programs do not allow hosting of Microsoft licensed products, the Services Provider License Agreement does give you the right to license specific Microsoft products for hosting.

What Is a Services Provider?

Services providers offer a variety of services to customers such as access to third-party software, business transaction services, and line-of-business (LOB) applications. Services providers offer customers direct or indirect access to Microsoft server licensed products or software services that interact with Microsoft licenses.

Specifically, you are a services provider if you provide the following services to your customers:

- Your organization provides your customers with direct or indirect access to Microsoft licensed products such as hosted Web sites or LOB applications through Microsoft server licensed products.
- Your organization offers your customers software services that interact with Microsoft licensed products. In this scenario, you, not the end customer, are the licensee.
- Your organization facilitates your customer's business, including business transactions with third parties, through software services that interact with Microsoft licensed products.
- Your organization provides your customers with access to, and use of any application, Microsoft
 or otherwise, and the application is running on a server and interacts with a Microsoft licensed
 product on that server.

Software Services

Software services are services that you provide to your customers that make licensed products available and that display, run, access, or otherwise interact with Microsoft licensed products. You provide these services from one or more data centers through the Internet, a telephony network, or a private network on a rental, subscription, or services basis, whether or not the services provider receives a fee. The SPLA makes offering software services easier because you are the licensee, not the customer.

SERVICES PROVIDER LICENSE AGREEMENT BENEFITS

Among the many benefits of participating in the SPLA Program are:

 Ability to deliver a customized service. Services providers have greater flexibility when licensing Microsoft products to their customers in a dedicated hosting environment or shared hosting environment. The services providers can manage the services and Microsoft use rights for their customers.

- Flexible cost structure. The SPLA program offers a monthly use-based licensing payment structure in which services providers report and pay for only what they authorized their customers to use the previous month. There are no start-up costs and no monthly sales requirements or long-term commitments.
- Wide selection of current product versions. Get the latest version of Microsoft products, allowing you to provide your customers with the most current and capable Microsoft platform to build their business.
- Extended Term License. For SPLA partners that have long-term commitments with customers, you can license select Microsoft products for up to three years as a single license purchase and receive a 12 percent savings. These SKUs are billed with three annual up-front payments, and there is no minimum purchase or additional reporting required for the duration of the agreement.
- Media fulfillment options. Services providers have the ability to download Microsoft products
 through the Microsoft Volume Licensing Service Center Web site (VLSC) at
 https://www.microsoft.com/licensing/servicecenter/Home.aspx as an alternative to purchasing
 media from the price list.
- Simplicity of MBSA addition and a single master agreement. Once an MBSA/MBA is in place, a services provider will only need to sign a shorter and simplified SPLA every three years. An MBSA/MBA also makes it easier to acquire support from Microsoft as it includes the ability to purchase Premier and Professional support.
- One organization-wide agreement. Services providers can include affiliates associated with their organization under one master agreement. Affiliates of the company must be entire legal entities, not partial entities such as departments, divisions, or business units.
- **Data center outsourcing.** With the SPLA, services providers can install Microsoft licensed products on servers under the day-to-day management and control of an outsourcing company, so they can perform data center administration, testing, and maintenance support services.
- Expand the reach to corporate and academic institutions. The SPLA has great offers for corporate and academic customers, so services providers can expand their service offerings.
- Evaluation and testing of licensed products. You may internally test and evaluate the Microsoft products for up to 90 days before offering them to your customers as a service.
- **Customer evaluations.** Services providers may use the licensed products to provide software services to their prospective customers on a trial basis for up to 60 days.

PROGRAM ELIGIBILITY AND REQUIREMENTS

Eligibility for the Services Provider License Agreement Program

The Microsoft SPLA Program is a worldwide software licensing program for services providers. Business models and scenarios for which the SPLA may be appropriate include:

- Application services providers
- Business process outsourcers (BPO)
- Platform infrastructure providers
- PC Rental companies

- Franchisees and franchises
- IT outsourcers that provide software licenses
- Messaging or collaboration services providers
- Streaming media providers
- Web hosting providers
- Web or Internet services providers
- Independent software vendors that provide hosted applications

Program Requirements

This section describes the requirements your organization must meet to obtain a Microsoft Services Provider License Agreement.

Enroll in the Microsoft Partner Program.

You must be either a Microsoft Certified Partner or a Registered Member of the Microsoft Partner Program. If you are a Registered Member, you must also enroll in the Microsoft Hosting Community. For information on how to join the Microsoft Partner Program, view https://partner.microsoft.com/global/40014052/.

Sign a Microsoft Business and Services Agreement (MBSA).

- Services providers that have an existing MBSA/MBA via another Volume Licensing Agreement (Enterprise Agreement, Enterprise Subscription Agreement, Select Plus, Select License, or ISV Royalty) should work with their account manager and/or reseller to provide their MBSA/MBA number and link the MBSA/MBA to their SPLA.
- Services providers without an existing MBSA/MBA will be required to sign one the next time they sign a SPLA.

Designate a licensed products reseller (indirect agreements only).

Unless you have a direct agreement with Microsoft, work with a SPLA reseller to complete the Services Provider License Agreement and MBSA (if a new MBSA is necessary). The reseller will:

- Collect your monthly use report or zero use report and submit them to Microsoft
- o Collect payment for the licenses used during the previous month
- Assist you on all aspects of the SPLA Program. Select a licensed products reseller from the list of SPLA resellers at http://www.microsoft.com/serviceproviders/spla

Provide monthly reporting on software licenses.

Submit either a monthly use report or zero use report to your SPLA reseller (or to Microsoft for direct agreements) on all licenses that you, your affiliates, and software services resellers authorized your customers to use. If you did not use any of the products to provide software services to your customers, you are required to submit a zero use report. You also must include the end-customer name and address if the customer generated more than U.S.\$1,000 per month in revenue. In addition, you need to keep all reporting records for two years from your agreement's end date.

Submit monthly invoice payment.

<u>Indirect agreements:</u> The SPLA reseller invoices you monthly based on the number of licenses reported in your monthly use report. You are responsible for submitting your payment to the SPLA reseller by the agreed on date.

<u>Direct agreements:</u> Microsoft invoices you monthly based on the number of licenses reported in your monthly use report. You are responsible for submitting your payment to Microsoft.

<u>Extended Term License:</u> These SKUs are billed in three annual installments, and no additional reporting is required for the duration of the agreement. The first installment is due at agreement signing, with the balance billed on the first and second agreement anniversaries.

Comply with the Services Provider Use Rights (SPUR).

The SPUR describes the product use rights for products licensed under the SPLA. The SPUR specifies use rights and conditions that apply to a customer's use of the licensed products. Microsoft may revise the SPUR at any time. The SPUR is updated quarterly and is located at http://www.microsoftvolumelicensing.com/userights/DocumentSearch.aspx?Mode=3&DocumentTypeId=2.

Abide by the copyright, the use of trademarks, and antipiracy obligations.

Services providers, your affiliates, and software services resellers must abide by the requirements for preventing the piracy of Microsoft licensed products and must comply with trademark and logo use requirements and pass-through copyright and similar notices. You must include Microsoft's copyright notice on any documentation, including online, for your products and services that include Microsoft licensed products.

Provide technical support.

You are responsible for providing technical product support for the Microsoft products you deliver to your customers. You are required to have one of the following:

- o A Microsoft Premier support services agreement; or
- Support services through the Microsoft Professional support program with prepayment for at least 10 incidents; or
- o Support services that are equivalent to the above through either another Microsoft support program or a third party support services provider.

Agree to participate in Microsoft SPLA audits.

Microsoft and/or its designees may review your records and facilities (including the data centers) to verify compliance and conduct on-location audits if needed. Microsoft may conduct this review for up to two years after the agreement ends.

Comply with the export requirements. You need to comply with all applicable export laws, and it is
recommended that you obtain legal advice regarding the export laws applicable to your business. For
informational purposes only, Microsoft has collected information on export requirements and other
information, including U.S. export regulations, product ECCNs (Export Control Classification
Numbers), and export-restricted products at http://www.microsoft.com/exporting/.

PARTICIPATING IN THE SERVICES PROVIDER LICENSE AGREEMENT PROGRAM

After successfully enrolling in the SPLA program, the following are the key steps for participation:

- Sell licenses for the software services to your customers.
- Ensure that your customers are provided and agree to the required Microsoft customer license terms and use rights.

- Obtain master copies of the Microsoft products. You can either download the media through the
 Microsoft Volume Licensing Service Center (VLSC) at
 https://www.microsoft.com/licensing/servicecenter/Home.aspx or purchase media fulfillment kits
 for a minimal cost through your SPLA reseller (indirect partners) or through the Microsoft Order
 Entry Tool (MOET) (direct partners).
- Provide software services that interact with Microsoft products to your customers.
- Provide your customers with access to hosted Web sites or LOB applications through Microsoft licensed products such as server software.

Licensing Models Available

Licenses acquired under the SPLA are monthly non-perpetual licenses that can be used during the agreement's term. Two licensing models are available, and your customer's licensed product needs determine the license type. Please note that not all products are available in both license models. For a list of licensed products available for each license model, visit http://www.microsoftvolumelicensing.com/userights/DocumentHome.aspx. The two licensing models are:

- Per Subscriber: A Subscriber Access License (SAL) is required for each unique individual user or device that is authorized to access or otherwise use the licensed products. When using the SAL option, a separate Server License is not needed. Examples of products licensed with a SAL: the Windows Server® operating system, Microsoft SQL Server®, Microsoft Exchange Server, the 2007 Microsoft Office system, and Microsoft Dynamics® business software (CRM).
- Per Processor: Each Processor License allows an unlimited number of users to access the licensed product that is installed on that processor for products licensed through a per processor model. Examples of products licensed through a per processor model: Windows Server, Microsoft SQL Server, Microsoft Dynamics® ERP.

Product Availability

The Microsoft SPLA offers you access to a wide selection of Microsoft licensed products. The list of available products is available through the SPUR. The top SPLA-selling licensed products, ranging from IT solutions to office productivity, are listed below:

- Microsoft Dynamics business software
- Microsoft Exchange Hosted Services
- Microsoft Exchange Server 2007
- Microsoft Forefront[™] client security
- Microsoft Office system
- Microsoft SharePoint Server
- Microsoft SQL Server
- Microsoft System Center
- Windows Server 2008 operating system

Agreement Terms

The agreement term is three years. At the end of three years, the agreement may be extended, at your option, for 12 months or the longest remaining customer agreement period, whichever period is shorter.

You must request an extension at least 30 days before your agreement expires. You can only request an extension if you are not signing new customer agreements and need to provide software services beyond the end of the agreement to existing customer agreements. You will not be able to provide software services to any new customers or extend any existing customer agreements.

You may terminate this agreement with 60 days prior written notice to Microsoft. Within 30 days of your agreement terminating or expiring, you are required to remove all copies of client software from your customers' desktop PCs and ensure that your customers return or destroy all copies of client software.

PRICING AND REPORTING

Pricing

Extended Term License

With the recent addition of the Extended Term License, SPLA partners can license select Microsoft products for up to three years as a single license purchase, rather than monthly, and receive a 12 percent savings. These SKUs are billed with three annual up-front payments, and there is no minimum purchase or additional reporting required for the duration of the agreement. This is a great option for services providers that have long term commitments with customers.

Price List

Indirect Agreements

To find out the price you are charged for each Microsoft licensed product offered through the Services Provider License Agreement, please contact your SPLA reseller.

Direct Agreements

Prices for the Microsoft licensed products are stated in the price list, which is located at www.explore.ms.

Academic pricing

Academic pricing on selected products is available when you deploy services to qualified education customers. For information on the Qualified Educational User definition, see http://www.microsoftvolumelicensing.com/userights/documentsearch.aspx?Mode=3&DocumentTypeID=7

Price Changes

Microsoft may decrease the price in the price list at any time. Microsoft may increase the price in the price list only once each calendar year on January 1 and at any time to offset exchange rate fluctuations for prices other than U.S. dollars. If Microsoft increases the price of a particular version of a licensed product after you sign your agreement, you are invoiced at the price in effect for that particular licensed product at that time.

Reporting

You are required to submit either a monthly use report or zero use report monthly on all licenses that you authorize your customers to use. For Extended Term Licenses, no monthly reporting is required.

An authorized representative of your organization must certify that the monthly use report or zero use report is accurate and complete. If you do not submit a report by the due date each month, your organization will not be compliant with the agreement. If your organization has affiliates and software services resellers, you are responsible for consolidating their license use in your monthly use report or

zero use report. Your affiliates and software services resellers do not submit a monthly use report or zero use report.

Indirect Agreements

If you have an indirect SPLA with Microsoft, you are required to submit either a monthly use report or zero use report within 10 days after the last day of the month to your SPLA reseller.

Direct Agreements

If you have a direct SPLA with Microsoft, you are required to submit either a monthly use report or zero use report within 15 days after the last day of month through MOET.

Monthly Use Reporting

The monthly use report must include the total number of licenses required for each licensed product that you licensed during the preceding calendar month. If the end customer generated more than U.S.\$1,000 per month in revenue, you need to include their name and address. You do not need to include customer demonstrations, customer evaluations, your organization's evaluation and testing of licensed products, or server administration and maintenance on your monthly use reports.

If you need to make adjustments or revisions to your report resulting in reduced license fees to Microsoft, you must submit the revised monthly use report with a detailed explanation within 90 days from the original invoice date.

Zero Use Reporting

If your organization, your organization's affiliates, and software services resellers did not use any of the licensed products to provide software services to your customers during the previous calendar month, you need to submit a zero use report. If you submit more than six consecutive zero use reports, Microsoft may immediately terminate the agreement.

Final Monthly Use Report or Zero Use Report

When your agreement terminates or expires, you must submit a final monthly use report or zero use report within 30 days. The report needs to include your organization, its affiliates, and software services resellers' use of the licensed products up to the date of your termination or expiration.

Services providers must maintain all reporting records for a period of two years from the termination or expiration date.

ENROLLING IN THE MICROSOFT SERVICES PROVIDER LICENSE AGREEMENT

How to Participate

To participate in the SPLA Program, follow these key procedures:

- 1. Meet one of the following two requirements:
 - Enroll in the Microsoft Partner Program at the Certified Level: https://partner.microsoft.com/global/40011313

-OR-

• Enroll in the Microsoft Partner Program as a Registered Partner in the Microsoft Hosting Community:

https://partner.microsoft.com/global/40011561 https://partner.microsoft.com/global/40011651

- 2. Enroll in the SPLA Program by signing the SPLA Agreement and by either signing a new Microsoft Business and Services Agreement (MBSA/MBA) or linking an existing MBSA/MBA to the SPLA by providing an existing MBSA/MBA number to your reseller or account manager.
- 3. After Microsoft has received your SPLA and verified your existing MBSA/MBA status (or processed a new MBSA) a welcome letter is sent that contains an agreement number and the *SPLA Operations User Guide*. Details on how to obtain media and product key activation are listed below. (If you have a direct agreement with Microsoft, please see the Direct License

For the most current information on the SPLA Program, see the Microsoft Partner Portal at https://partner.microsoft.com/global/40012010.

Media Ordering and Fulfillment

Agreements section below.)

You may download the product media from the VLSC Web site at https://www.microsoft.com/licensing/servicecenter/Home.aspx. Services providers receive a welcome letter that has instructions on how to set up an account and access VLSC. Services providers may also receive Worldwide Fulfillment (WWF) CDs in a physical shipment from your SPLA reseller. You can order up to 10 of any individual media SKUs using one purchase order during your agreement's term. (If you have a direct agreement with Microsoft, please contact the Worldwide Fulfillment Center in your region.)

Services providers are free to explore the VLSC Web site, but should be aware that it has not yet been modified for services provider use. The main functionality being delivered today is the ability to download media. Please note:

- SPLA agreement will not be displayed on the Microsoft Licensing Statement, but agreement details will be available on VLSC.
- Product keys will not be available in VLSC. Services providers will continue to contact the Activation Call Center for the Volume License Keys.

Worldwide Fulfillment Center Information

REGION	PHONE	E-MAIL
United States, Canada	800.248.0655	WWFOrderCenter@ModusMedia.com
Latin America	N/A	WWFOrderCenter@ModusMedia.com
SE Asia, Far East, South Pacific	N/A	aplmedia@microsoft.com

Product Key Activation

To install all editions of Microsoft licensed products, you must use the media that you receive from either Worldwide Fulfillment (WWF) or download from MVLS. Only the bits from both of these methods allow for multiple installs by using a Volume License Product Key. The product key is assigned to a company or organization and must be used for desktop PC or administrator installations of licensed products. To obtain a SPLA Volume License Product Key, please contact the Microsoft Activation Center for your region at: http://www.microsoft.com/licensing/resources/vol/numbers.mspx. You will need to provide your SPLA agreement number which is located in your welcome letter.

DIRECT LICENSE AGREEMENTS—ADDITIONAL INFORMATION

If you have a direct license agreement with Microsoft, instructions for downloading media or ordering media directly from www.explore.ms are included in the welcome letter. There is a list of WWF media part numbers corresponding to the license SKU numbers listed in the price list. You need to contact the Worldwide Fulfillment Center to order media once your agreement is activated.

Explore.ms

Once you receive the welcome letter, you may sign up for an explore.ms account. New users to explore.ms are asked to follow the sign-in registration process. A Public Customer Number (PCN), which is located in your welcome letter, is required to complete this registration.

The Microsoft Web site www.explore.ms is a tool for organizations with a direct license agreement. The site is also a tool for resellers that use security technology, including file encryption and password protection, to manage information in support of Microsoft licensing.

This Web site is a source of valuable information regarding the following:

- Agreement information, including agreement number and a list of services providers who have signed up for the program
- Access to tools, including the Microsoft Order Entry Tool (MOET)
- Links to download the most current product and fulfillment media price lists
- Links to forms, resources, and additional training documents

Registration Instructions

To activate your explore.ms account, please follow the steps below:

If you do not yet have a Microsoft Passport or Windows Live™ ID:

- 1. Navigate to www.explore.ms and click the "Register for https://www.explore.ms" link.
- 2. The user is prompted to sign in to Explore.ms. Click the "Windows Live ID" link at the bottom of the sign-in box; choose "Sign Up" from the menu on the left side of the new window.
- 3. Complete the registration process and click the "I agree" button.

- 4. The user then receives an "explore.ms registration complete" confirmation. Click the "continue" button.
- 5. Navigate back to www.explore.ms and click the "Register for https://www.explore.ms" link.
- 6. Enter the e-mail address and password you just created. Click "Sign In."
- 7. Complete the registration page using the 'Public Customer Number' from your SPLA Welcome Letter and welcome e-mail and click the "Register for explore.ms" button.
- 8. When the new user's permissions are verified, the necessary access is granted thus activating the user with administrator privileges.
- 9. An activation e-mail is sent to the user.
- 10. The user can now log on to www.explore.ms.

If you have a Microsoft Passport or Windows Live ID:

- 1. Navigate to www.explore.ms and click the "Sign In" button at the top of the screen.
- 2. The user is prompted to sign in to Explore.ms. Sign in with your Passport or Windows Live ID credentials.
- 3. The next screen states "You are not registered," click "Register."
- 4. Complete the registration page using the 'Public Customer Number' from your SPLA Welcome Letter and welcome e-mail and click the "Register for explore.ms" button.
- 5. When the new user's permissions are verified, the necessary access is granted thus activating the user with administrator privileges.
- 6. An activation e-mail is sent to the user.
- 7. The user can now log on to www.explore.ms.

To provide access to explore.ms for additional users within your organization, have them follow the instructions above. An e-mail is sent to your company's administrator requesting access permission for the new users.

If you experience technical difficulties accessing explore.ms, please ensure your PC is configured properly by reviewing the system requirements specified at www.explore.ms/clientreq.aspx. If after confirming your PC is configured properly and you still experience technical difficulties accessing explore.ms, please contact explore.ms, please <a hr

ADDITIONAL RESOURCES

Microsoft Volume Licensing for Partners

https://partner.microsoft.com/global/40019020

Services Provider License Agreement Program

https://partner.microsoft.com/40012010 www.microsoft.com/licensing/programs/spla/default.mspx

Microsoft Hosting Solutions

www.microsoft.com/serviceproviders/hosters.mspx

Microsoft Volume Licensing Service Center

https://www.microsoft.com/licensing/servicecenter/Home.aspx

Partner Training with the Microsoft Partner Learning Center

https://training.partner.microsoft.com/plc/register.aspx?publisher=3&courseid=1166

Program Inquiries and Contract Questions

Find a reseller in your area:

http://www.microsoft.com/serviceproviders/licensing/howto.mspx#SPLAReseller

Have a reseller in your area contact you:

http://www.microsoft.com/serviceproviders/spla

GLOSSARY

Affiliates

A legal entity that owns, is owned, or is commonly owned by or with a party. Own means holding or controlling greater than 50 percent of the shares, interests, or assets of a legal entity.

Agreement Number

The unique number Microsoft assigns to the company after Microsoft has received the company's Services Provider License Agreement.

Company

The entity that has signed the agreement signature form and the company's affiliates that have been granted rights under the agreement.

Customer License Terms

The document entitled "Customer License Terms" applicable to the licensed products. Microsoft provides a form of the license terms to the company. Microsoft may update the form of the license terms from time to time.

Effective Date

The date on which the term of a licensing agreement commences—typically the date on which Microsoft accepts the agreement.

Service Device

A personal computer (desktop PC or laptop) or server containing licensed products that are fully owned or leased by a company, which is rented/leased to a customer, whether or not the company receives payment for such a rental/lease.

Services Provider Use Rights (SPUR)

Use of any product that is covered under the SPLA is governed by Services Provider Use Rights, which contain the use rights for the licensed products.

Software Documentation

Any documents included with a licensed product.

Zero Use

A services provider did not distribute to its end users any of the Microsoft licensed products under the SPLA as a part of delivering services during the reporting period.

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