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Guidelines for Software Service Agreement

Overview of the Software Service Agreement for the innovaphone Version 8 licenses

Software Service Agreement – Basic terminology

Software Service Agreement

The Software Service Agreement (SSA) allows the customer to upgrade his licenses to new firmware versions released during the agreement period "at no extra cost". Therefore versions released during the SSA period do not need be purchased! Exceptions include new features which are licensed separately.

Software Service Credits

Software Service Credits - so-called SSCs - are used as currency when taking out an SSA. They are easy to order and can be managed over the balance statement in the my.innovaphone portal. An SSC value has been allocated to every innovaphone license which can be included in an SSA. This is the value due for an SSA lasting one year.

SSA agreement period

It is usually assumed that a Software Service Agreement will be entered into for the period of at least one year. The SSA is set from the first bind date of the license; the chosen SSA expiry date is the last day of the SSA period. It is possible, if necessary, to choose any SSA expiry date in the future – the SSA is calculated exactly to the day.

License bind date

This means the date on which a license was bound to a device. This date is always used to calculate the Software Service Credits (SSCs see below) which are to be paid for a Software Service Agreement.

SSA start date

This means the date on which a license in my.innovaphone is taken under contract (SSA). The license bind date is the same as the SSA start date if the SSA period for the license begins on the same day as the license was bound to a device.

SSA expiry date

This means the date on which the SSA finishes and should be extended. If the SSA is not extended in time before the expiry date, then an extension is only possible with a 100% premium. The SSA expiry date can be chosen at will.

SSA calculation

Calculating an SSA

Software service credits payable for a software service agreement are always calculated exactly to the day. Accordingly, one day SSA costs 1/365 of the annual SSC defined for the license. SSCs payable are always rounded up to the next full SSC, if necessary.

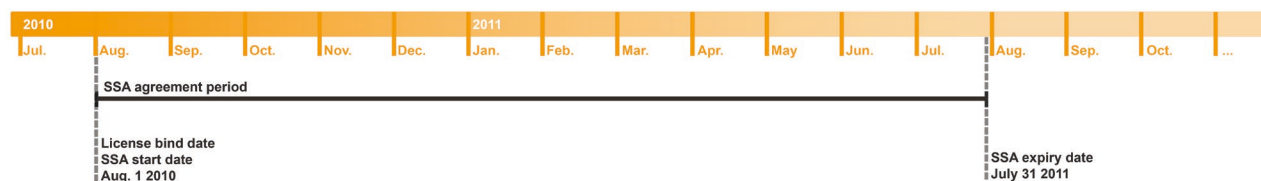### Retrospective payment for belated SSA start

The crucial fact for calculating the number of SSCs necessary for a software service agreement is always the bind date of the license. The software service agreement must be backward paid if the SSA start date varies from the license bind date. More details can be found in the section "Entering into an SSA for a project at a later date" (page 2).

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SSA – Example calculations

Standard SSA for a new installation:

A new project is set up in my.innovaphone. All necessary devices along with the relevant licenses are assigned to the project. An SSA should be entered into for the entire project on the day the licenses are bound to the devices! Otherwise the number of SSCs due for payment increases as a back payment would be due. A new firmware version released during the SSA period can be applied as soon as it is released to all licenses under SSA.
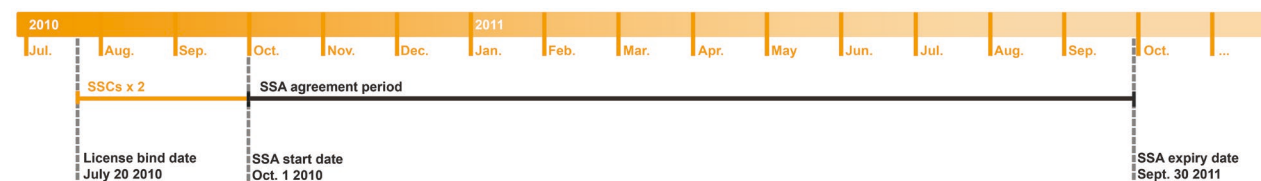
Example:

- Devices in a project are provided with the relevant licenses on August 1 2010.
- On August 1 2010 an SSA is entered into which lasts until July 31 2011.
- The SSA is entered into for 1 year, i.e. one year SSCs are due for the licenses.
- Necessary SSCs are debited from the balance statement.

Entering into an SSA for a project at a later date:

An existing my.innovaphone project can of course be taken under contract (SSA) at a later date. Please note that in this case, the calculation is based on the date the licenses were bound to the hardware! A 100% SSC premium is due to be paid for the period between license bind date and the date the SSA was entered into!

Example:

- The devices are provided with the relevant licenses on July 20 2010.
- A 12 month SSA for the entire project is subsequently concluded on October 1 2010.
- The number of SSCs needed is not calculated from the SSA start date, it is calculated from the license bind date, therefore July 20 2010.
- The period between July 20 2010 (license bind date) and October 1 2010 (SSA start date) is calculated with a 100 % premium, i.e. 73/365*2 SSCs are due for the licenses in the period between July 20 and October 1.
- One year SSCs are due for the twelve month SSA period from October 1 2010 until September 30 2011.

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PLEASE NOTE!

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In order to avoid double SSC payment, it is recommended for resellers to include a SSA quote in the bid proposal and to inform the end customer that signing up for an SSA at a later date incurs a higher back payment.

If you enter into an SSA at a later date and not on the same date as the license bind date, a 100 % premium is due for every day until the SSA begins.
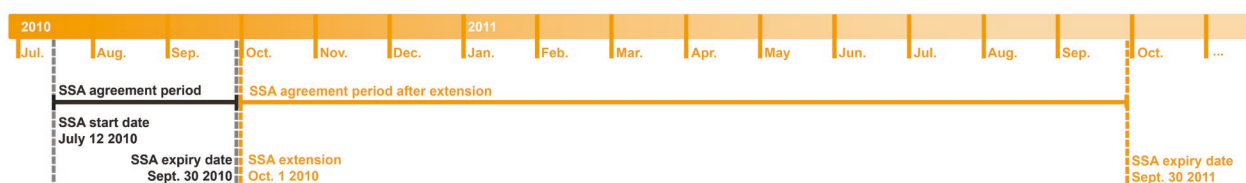
Extending an SSA

The SSA expiry date must be extended before the period runs out in order for an SSA to be maintained. There is no automatic SSA extension! However, my.innovaphone sends email reminders that an SSA will expire prior to the expiry date.

Procedure

my.innovaphone is used to extend an SSA. The project needing SSA extension must be selected in the portal. Under the SSA tab it is possible to input any day in the future as the new SSA expiry date – by default this is 12 months. When this new SSA expiry date is confirmed, my.innovaphone calculates the necessary SSCs and displays these for each license. Once this statement is confirmed, the necessary SSCs are debited from the balance statement.

Example:

2010				2011												
Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	...

SSA agreement period — SSA agreement period after extension

SSA start date
July 12 2010

SSA expiry date
Sept. 30 2010

SSA extension
Oct. 1 2010

SSA expiry date
Sept. 30 2011

- Devices in a project are provided with the necessary licences on July 12 2010
- An SSA is entered into for 81 days until September 30 2010. 81/365 of the annual SSA price is due.
- In good time before the SSA expiry date, the SSA is extended by one year. One year worth of SSCs are debited from the balance. The SSA is valid until September 30 2011.
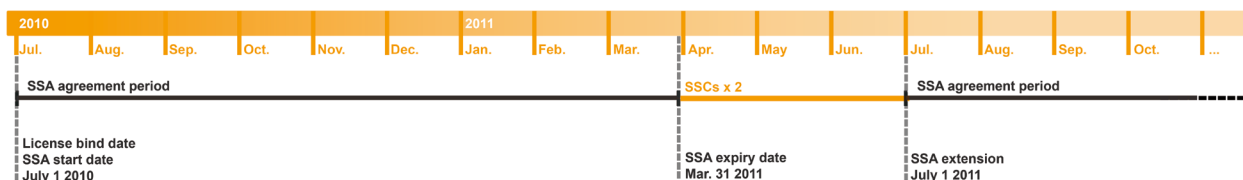

Adding licenses to a project under SSA

Individual licenses can be added to a project under SSA at any time. The project's SSA expiry date is automatically pre-set – however it can be changed as necessary. We recommend customers to immediately put licenses under SSA and to have the necessary SSCs in the balance. The reason for this is that the license bind date is always the date used to calculate the SSA and an increased number of SSCs would be needed if the licenses are put under SSA at a later date.

If the additional license already has an SSA (from a pool of free licenses already bound), then the current SSA expiry date is shown. It is possible to extend the SSA directly and to select a subsequent SSA expiry date. The SSCs due will then be calculated.

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Belated extension of your SSA

Additional costs are incurred if an SSA is not extended in good time before the SSA expiry date. This is due to the fact that the period between SSA expiry date and SSA extension date are calculated with a 100 % premium.

Example:

| 2010 | | | | | | 2011 | | | | | | | | | | |
| Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | ... |

SSA agreement period

SSCs x 2

SSA agreement period

License bind date
SSA start date
July 1 2010

SSA expiry date
Mar. 31 2011

SSA extension
July 1 2011

- The licenses are bound to the devices on July 1 2010.
- An SSA for the project is entered into on the same day.
- The SSA period runs for 274 days in the future and ends on March 31 2011. 274/365 of annual SSCs are due for the SSA.
- The customer fails to extend the SSA in good time until and including March 31 2011.
- The extension is not undertaken until July 1 2011, which means 91 days after the SSA expiry date.
- These 91 days are additionally calculated with a 100% premium which means annual SSCs amounting to 91/365 * 2 are due.
- In addition one year's worth of SSCs are due for the SSA extension which runs until June 30 2012 .

Binding licenses of older versions with SSA

Licenses for older versions are all licenses for firmware versions which are older than the current release version according to the innovaphone price list.

When such licenses are newly bound to a device, the bind date is different than with other versions. The effective date the license is bound to the device is not used for the calculation, but the release date of the update version according to the price list. SSCs are calculated two-fold for the period between the update version release date and the date the SSA was entered into. This incurs higher cost but prevents somebody who has bought "old licenses" from having an advantage over a customer with new licenses.

However, this is only relevant for licenses bought in the past which are not yet bound. In the future, licenses from previous versions will no longer be sold. In fact in the portal my.innovaphone, innovaphone provides the possibility to "downgrade" licenses to previous license versions (until version 6), as long as the version has not been officially discontinued.

Releasing licenses

From version 8 onwards, it is possible to release a bound license from its hardware and thus to bind it to another device. Hardware based licenses such as ISDN Interface licenses, DSP channel licenses, a/b licenses and gatekeeper licenses are excluded from this!

Releasing licenses can either be carried out either over an internet connection directly on the box or in my.innovaphone. The license then appears in the project pool of released licenses and can then be bound to any other hardware.

This function can only be carried out on a piece of hardware which has Version 8 installed as the license must be bound to the hardware security certificate for the feature!

Changing de-central licensing to central licensing with my.innovaphone

The following steps are necessary in order to switch an existing installation from de-central to central licensing:

- Version 8 must be installed. The project can be placed under SSA for a potential upgrade.
- The licenses must be released and moved to the project's pool of free licenses.
    - If licenses are changed to another version in the balance, the existing SSA becomes obsolete and a one year SSA will be calculated.
    - If licenses are bound directly to other hardware, the existing SSA is maintained and no additional costs are incurred.
- Licenses from the project balance can then be bound to the master or any other device in the same way as any other license in the balance.

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