

Guidelines for Software Service Agreement

Overview of the Software Service Agreement for the innovaphone PBX licenses from Version 10

Software Service Agreement – Basic terminology

Software Service Agreement

The Software Service Agreement (SSA) allows the customer to upgrade his licenses to new software 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 in 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

The SSA agreement period is the valid duration of an SSA. 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 to the device; 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 for the first time. The license bind date is always used to calculate the Software Service Credits (SSCs see below) which are to be paid for the requested SSA period.

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, the number of SSCs charged is doubled for the period from expiry date until the new SSA start date.

SSA calculation

An SSA is always bound to a license. This means that the SSA continues to exist if a license within a project is transferred from one device to another. However, the SSA is void if a license is booked back to the balance statement.

Calculating an SSA

Software service credits payable for a software service agreement are always calculated exactly to the day. Accordingly, one day SSA costs $\frac{1}{365}$ 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

If an SSA is not entered into on the same day as the License bind date, the period between License bind date and SSA start date is charged at double the SSC rate. The crucial fact for calculating the number of SSCs necessary for a software

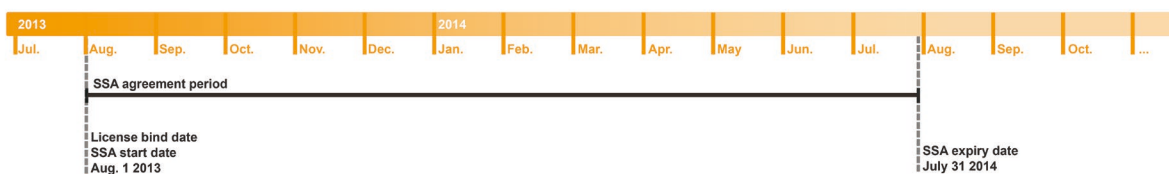
service agreement is always the bind date of the license. See also page 2: “Entering into an SSA for a project at a later date”.

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:

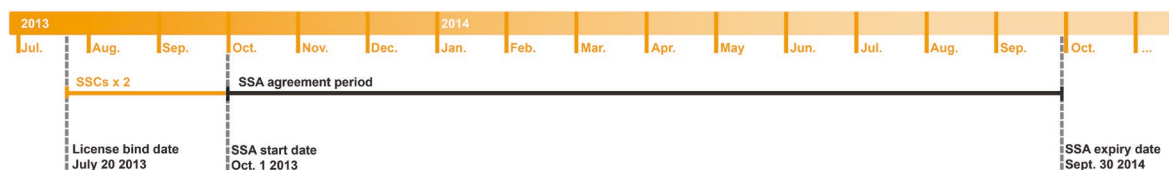


- The license bind date is August 1 2013.
- The SSA start date is also August 1 2013.
- The SSA expiry date is July 31 2014.
- The SSA agreement period is 1 year, i.e. one year SSCs are due for the licenses.
- Necessary SSCs are debited from the balance statement.

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! Twice the number of SSCs are due to be paid for the period between license bind date and the date the SSA was entered into!

Example:



- The license bind date is July 20 2013.
- The SSA is not entered into until later: the start date is October 1 2013 - a 12 month SSA for the entire project is thus entered into on October 1 2013.
- The number of SSCs needed is not calculated from the SSA start date, it is calculated from the license bind date, therefore July 20 2013.
- The period between July 20 2013 (license bind date) and October 1 2013 (SSA start date) is calculated with a 100 % premium, i.e. $73/365 \times 2$ 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 agreement period from October 1 2013 until September 30 2014.



PLEASE NOTE!



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.

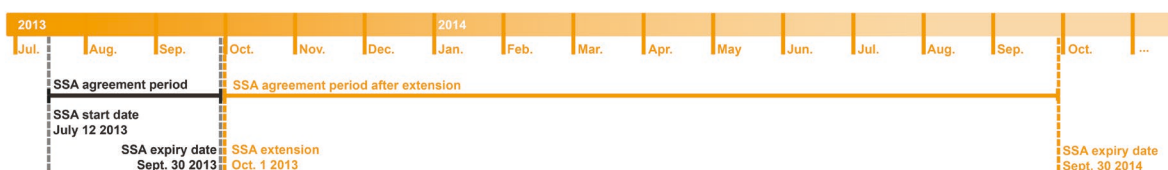
Extending an SSA

The SSA expiry date must be extended before the period runs out in order for an SSA to be maintained. An automatic SSA extension only takes place if you have signed up for the automatic extension service (see page 4). 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:



- The licence bind date is July 12 2013
- The SSA start date is also July 12 2013 and is valid for 81 days.
- SSA calculation: 81/365 of the SSCs due for the year.
- The SSA expiry date is 30 September 2013.
- The SSA is extended by one year in good time, before the SSA expiry date. One year worth of SSCs are debited from the balance.
- The new SSA expiry date is September 30 2014.

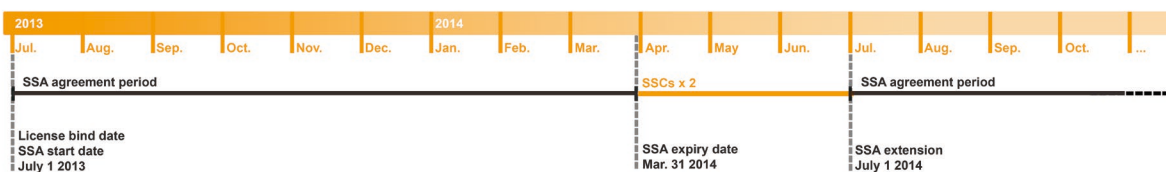
Adding licenses to a project under SSA

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 adjust the SSA expiry date in line with the rest of the project (see SSA extension page 3). The SSCs due will then be calculated.

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 twice the numbers of SSCs are due for the period between SSA expiry date and SSA extension date.

**Example:**

- The license bind date is 1 July 2013.
- The SSA start date is the same day, 1 July 2013.
- The SSA agreement period runs for 274 days and ends on March 31 2014 (the expiry date).
- SSA calculation: 274/365 of annual SSCs.
- The customer fails to extend the SSA in good time until and including March 31 2014.
- The SSA extension is not undertaken until July 1 2014, which means 91 days after the SSA expiry date.
- These 91 days are additionally charged at twice the number of SSCs: $91/365 * 2$.
- In addition one year's worth of SSCs are due for the new SSA agreement period from 1 July 2014 until 30 June 2015.

Automatic SSA extension service in my.innovaphone

innovaphone provides a special service in the form of an automatic SSA extension service in my.innovaphone which makes it possible to put an entire project under SSA. The service has several advantages:

- There is no risk of forgetting the SSA expiry date
- Avoid unnecessary transition phases requiring twice the number of SSCs.
- Simplified management of the balance statement. There is no longer a risk of not having enough SSCs to enter into or extend SSAs.
- Software components that are installed at a later date are automatically included in the SSA agreement.

The end customer enters into the SSA extension service directly with innovaphone. To do so, it is necessary for the entire project and all components to be under SSA when the agreement is entered into. The service can be found in my.innovaphone by clicking in one of your projects under the item "Software Service". "innovaphone SSA extension service" appears in orange writing. You now have the possibility of selecting the option of having agreement information sent to you or requesting a personal consultation.

The effects of price reductions / increases on an SSA

Price changes during an SSA agreement period affect current SSAs as follows.

- **Price reduction:** the SSA agreement period remains unchanged. The number of SSCs required for the remaining SSA agreement period will be re-calculated from the date of the new valid price. Any SSCs that are no longer required due to the reduced price are returned automatically to the balance statement and are free to be used elsewhere.
- **Price increase:** the valid SSA continues to exist through to the SSA expiry date – at no extra cost. The new price comes into force after this SSA expiry date.

Entering into a long-term SSA has no disadvantage for the customer, it could even be advantageous.