

Technology Transition Offerings (TTO) Effective Date under Country Multiplex Pricing (CMP)

September 19, 2018

TTO benefit is a reduction in the monthly charges for programs with an eligible value metric on designated TTO eligible Machine(s). For clients with Country Multiplex Pricing (CMP), TTO benefit is applicable to sub-capacity MLC programs with CMLC value metric based on the active (not discontinued) Machine(s) included in the SCRT/Multiplex report for each submission period. This is different than other sub-capacity MLC programs - new Machine(s) licenses are initially configured at full-capacity, until SCRT report(s) are received. Accordingly, modifications to TTO benefit under CMP are effective when the monthly charges for eligible programs are effective for the Machine within the Multiplex.

Associated Contracts:

IBM Supplement for Technology Transition Offerings Z125-8994-WW-06

IBM Attachment for IBM Country Multiplex Pricing Z126-6965-WW-03

Related CMP Attachment Terms:

Adding an Eligible Machine to the Multiplex: If Client intends to make copies of existing IBM Programs for a new or replacement Eligible Machine, Client must notify IBM in advance when Client intends to either (i) add an Eligible Machine to the Multiplex (and Client must specify in such notice if the Eligible Machine is a Qualifying DR Machine), or (ii) replace an Eligible Machine in the Multiplex with another Eligible Machine. In such case, no adjustment is made to the MLC Bases or MSU Bases. Client is responsible for IBM Program charges for the additional or replacement Eligible Machine when such Eligible Machine is included in the Multiplex Report.

Removing an Eligible Machine from the Multiplex: Client must notify IBM in advance if Client intends to de-install an Eligible Machine or otherwise intends to have no IBM Programs licensed to an Eligible Machine. In such case, no adjustment is made to the MLC Bases, MLC Base Factor or MSU Bases. In cases where an Eligible Machine is being replaced by another Eligible Machine, Client is responsible for IBM Program charges for the replaced Eligible Machine until MSUs for the replaced Eligible Machine are not included in the Multiplex Report, even if Client has previously requested IBM Program licenses to be discontinued on such replaced Eligible Machine.

TTO Lifecycle Examples under CMP:

- **Adding a new Machine to Multiplex effective April 15th**

Client notifies Sales Rep of all MLC (CMLC, TWLC, etc.) and IPLA programs to be copied in April or earlier. Upon receipt of SCRT Multiplex report in early May that includes the new Machine, IBM will process inventory changes for the Multiplex with TTO benefit calculated based on revised Machines, including the new Machine, with an effective date of June 1st.

- **Replacing a Machine in Multiplex with transition occurring during single reporting period (April)**

Client notifies Sales Rep of all MLC (CMLC, TWLC, etc.) and IPLA programs to be moved in April or earlier. Both replaced Machine and replacement Machine are included on the SCRT/Multiplex report received in early May, with replaced Machine discontinued prior to end of April. IBM will process inventory changes for the Multiplex with revised TTO benefit calculated based on revised Machines, without the replaced Machine and with the replacement Machine, with an effective date of June 1st.

- **Replacing a Machine in Multiplex with transition occurring over multiple reporting periods (April – May)**

Client notifies Sales Rep of **all** MLC (CMLC, TWLC, etc.) and IPLA programs to be moved in April or earlier. Both replaced and replacement Machines are included on the SCRT/Multiplex reports received in early May and June, with June SCRT/Multiplex report confirming the replaced Machine was removed prior to June 1st. IBM will process inventory changes for the Multiplex with revised TTO benefit calculated based on both Machines for effective date June 1st and excluding the removed Machine effective July 1st.

- **Removing a Machine from Multiplex effective April 15th**

Client notifies Sales Rep of Machine removal plan in April or earlier. Upon receipt of SCRT/Multiplex report in early May confirming the Machine was removed prior to May 1st, IBM will process inventory changes for the Multiplex with revised TTO benefit excluding the removed Machine with an effective date of June 1st.