

Microsoft

*Internal
OEM Price Guideline
for Systems Products*

Effective August 1, 1991

Index

Price Table			page #
Operating Systems	A1 - A3	808X Entry-range to High-range PCs, per-system	2
	A4	Operating System Incentive/Adder Table	2
	A5	Other Per-system Products & Per-copy OS/2	3
	B1 - B3	Per-copy Products (w/out A1, A2 or A3 licenses)	3
	B4	MS-DOS for Named Development Countries	4
	D1 - D3	Packaged MS-DOS, Windows	5
Networking	N1 - N2	MS-Net Redir, LAN Manager, TCP/IP, MAC, Assynch	6
	N4 - N5	SQL Server, Comm Server, Comm Workstation	7
	N7-N8	LAN Manager for Unix	8
	N9	Expanded Marketing Rights for Network Products	8
Printer Software	P1	TureImage PDL	10
	P4	Windows Print Driver Development & Cert. Program	10
Hardware	H1 - H2	Domestic Mouse Pricing	11
		International Mouse Pricing	12
	H4	Domestic Ballpoint Pricing	12
		International Ballpoint Pricing	12

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Operating Systems

808X & 80286 Entry-Range CPU's
(US versions)

Annual Commitment level for two-year licenses

		25K	25K+	50K	100K	250K	500K+
A1	MS-DOS 5.0 per system	\$26.00	\$23.00	\$20.00	\$19.00	\$15.00	\$13.00
	MS-Windows 3.0 per system	\$31.00	\$28.00	\$25.00	\$22.00	\$21.00	\$20.00

80386SX & 80386SL Mid-Range CPU's

A2	MS-DOS 5.0 per system	\$28.00	\$25.00	\$22.00	\$18.00	\$16.00	\$15.00
	MS-Windows 3.0 per system	\$33.00	\$30.00	\$27.00	\$23.00	\$22.00	\$21.00

80386DX, 80486SX & 80486DX High-Range CPU's

A3	MS-DOS 5.0 per system	\$30.00	\$27.00	\$24.00	\$19.00	\$17.00	\$16.00
	MS-Windows 3.0 per system	\$35.00	\$32.00	\$29.00	\$24.00	\$23.00	\$22.00

CPU-Based Pricing Incentives & Adders

		DOS	Windows	OS/2 2.0
A4	Per-processor license (subtract from royalty)	(\$1.00)	(\$1.00)	NA
	3rd year license (subtract from royalty)	(\$1.00)	(\$1.00)	NA
	4th+ year license (royalty for future versions TBD)	V6.XX	V4.XX	NA
	Pre-install on hard disk drive (subtract from royalty) (6)	NA	(\$2.00)	NA
	Add to 1-year license/extensions (add to royalty)	\$1.00	\$1.00	NA
	Add to localized versions (add to royalty) *	\$2.00	\$4.00	\$8.00

* Uplift for Arabic version of DOS is \$12.00.

Each product added to a license requires a commitment. OEM must provide end-user support for all licensed products. Read notes before using price list.

The Annual Commitment Level & Per-System Royalty Determination

The OEM's "Annual Commitment Level" is determined by aggregating the OEM's total PC shipments.

Consider an OEM shipping 50K 8086's, 150K 80386SX's, 50K 80386DX and 50K 80486SX's. Their total volume of PCs shipped is 300K, therefore their royalty rates are found in the 250K column. Their per-system DOS and Windows royalties would be:

	ENTRY	MID	HIGH
DOS per-system royalty	\$15.00	\$16.00	\$17.00
Windows per-system royalty	\$21.00	\$22.00	\$23.00

Applying Royalty Incentives & Adders

The OEM can get the lowest price if he commits to per-processor agreements. If the OEM elects to license DOS or Windows on a per-processor basis, subtract \$1.00 from their applicable royalty above. Subtract another \$1.00 from DOS and/or Windows if they agree to a 3-year license. Subtract another \$2.00 from the Windows royalty if the OEM pre-installs and ships the product on a hard-disk drive. Building on the example above, fully discounted royalties would look like the following:

	ENTRY	MID	HIGH
DOS per-system royalty	\$15.00	\$16.00	\$17.00
Less per-processor incentive	-1.00	-1.00	-1.00
Less 3-year license incentive	-1.00	-1.00	-1.00
Net DOS Royalty:	13.00	14.00	15.00
Windows per-system royalty	\$21.00	\$22.00	\$23.00
Less per-processor incentive	-1.00	-1.00	-1.00
Less 3-year license incentive	-1.00	-1.00	-1.00
Less pre-install incentive	-2.00	-2.00	-2.00
Net Windows Royalty:	17.00	18.00	19.00

In addition to the incentives above an "adder" has been included in the pricing to discourage non-standard, 1-year licenses. In the same way incentives are subtracted from the royalty, add \$1.00 to the royalty for 1-year licenses. International versions are uplifted at flat dollar rates shown in Table A4 (except for Arabic DOS, see * above). Add these flat rates to the royalties from tables A1, A2 and A3.

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Per-System Products (requires A1 or A2 or A3 licenses)

(US versions)	Annual commitment level for two-year contracts					
	<25K	25K	50K	100K	250K	500K
A5 MS Multimedia for Windows 3.0	\$14.00	\$13.00	\$10.00	\$9.00	\$8.00	\$7.00
MS Pen Extensions w/o Handwriting	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
MS Pen Handwriting Recognition	\$11.00	\$10.00	\$7.00	\$6.00	\$5.00	\$4.00
GWBasic	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
MS-DOS CD-ROM Extensions	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50
MS-DOS Shell & Utilities	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
<i>Per-copy products for use with Table A1, A2 and A3 per-processor licenses</i>						
MS OS/2 1.21, 1.3 2.0 per copy *	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00

* Above royalty available only to per-processor licenses for both Windows and DOS. Royalty is not available for per-system licenses of DOS and Windows nor for DOS-only licenses. Use OS/2 pricing from Table B2 for non-qualifying OS/2 royalties. All other products in addition to OS/2 are offered on a per-copy basis. See VP OEM for quotes.

** per windows, MM w/out pricing*

Per-System Products (without A1 or A2 or A3 licenses)

(US versions)	<25K	25K	50K	100K	250K	500K
B1 Flash EPROM File System 2XX	\$2.50	\$1.75	\$1.50	NA	NA	NA
MS-DOS ROM v. 6.00 per system	\$15.00	\$12.00	\$10.00	\$7.00	\$5.00	\$4.00
MMW Audio Card (Retail) (7)	\$27.00	\$24.00	\$22.00	\$20.00	\$20.00	\$20.00
MMW CD-ROM Drive (Retail) (7)	\$27.00	\$24.00	\$22.00	\$20.00	\$20.00	\$20.00
MMW Upgrade Kits (Retail) (7)	\$27.00	\$24.00	\$22.00	\$20.00	\$20.00	\$20.00
MM Extensions (w/out Windows)						
Audio Card (Retail) (7,8)	\$14.00	\$13.00	\$11.00	\$9.00	\$8.00	\$7.00
CD-ROM Drive (Retail) (7,8)	\$14.00	\$13.00	\$11.00	\$9.00	\$8.00	\$7.00

* All products in addition to those following are offered on a per-copy basis. See VP OEM for quotes.

Per Copy Products

All products in addition to those following are offered on a per-copy basis. See VP OEM for quotes.

(US versions)	<25K	25K	50K	100K	250K	500K
B2 MS-DOS 5.0 per copy	\$70.00	\$60.00	\$50.00	\$40.00	\$35.00	\$30.00
MS OS/2 1.21, 1.3 2.0 per copy	\$73.00	\$67.00	\$61.00	\$51.00	\$48.00	\$46.00

MS-DOS & OS/2 Source Code Fees

B3 MS-DOS Kernel	\$25K
MS-DOS Display and Keyboard	\$5K
MS-DOS Extended Memory	\$8K
MS-DOS Shell	\$50K
OS/2 1.21 or 1.3 ABIOS Source	\$25K
Update of ABIOS Source 1.21 or 1.3	\$5K

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MS-DOS 5.0 for Named Development Countries

Named development countries are Peoples Republic of China, S.E. Asia countries where we do not have an established subsidiary, India/Pakistan, Soviet Union, Brazil, and Africa. Eastern Europe (ex eastern comm blok countries) only. Licensing is for local manufacturers in their country of origin for localized product only, and for distribution in that country only and not for export. Licenses are for 1-year with 1-year extensions as mutually agreeable to MS & OEM. All other terms and conditions are standard and non-negotiable. Licenses are for a minimum commitment of 5,000 units.

copy

Annual Commitment level for one-year licenses		5K
B4	MS-DOS 5.0 per-system	\$9.00
	MS-DOS 5.0 per-processor	\$8.00

Local language
- PRC
- Soviet Union

Notes for "A" and "B" Tables

- Note 1: Multimedia and Pen from Table A5 are premium extensions to the DOS and Windows platform, and are priced in A5 as a premium to be added to the Windows base royalty. OEM's that wish to license products from A5 without already licensing Windows from A1, A2 and/or A3 or to license Multimedia for Windows for non-PC systems should be quoted from Table B1 following.
- Note 2: The rommable version of MS-DOS 5 is included with the standard MS-DOS 5 license. It is the OEM's choice whether to ship a ROM-executable or RAM-executable version
- Note 3: The OAK for Windows 3.0 contains version 7.04 of the Microsoft mouse driver. In the case where an OEM ships a non-Microsoft mouse and ships the Microsoft mouse driver v 7.04 with Windows there is an additional \$5.00 added to the Windows royalty.
- Note 4: Prices for OS/2 User's Guide \$16.00, part number 13238. This is a 6 in by 8 in 3 hole punch document inserts (binders not included).
- Note 5: The OEM must be qualified to support Windows directly in every country where it is shipped.
- Note 6: For MS-DOS/V Kanji drivers, there is a \$2.00 uplift charge in addition to the MS-DOS 5.0 royalty and \$2.00 localization fee for DOS. OEM deliverables are in object code format.
- Note 7: Upgrade kits contain both an audio card and CD-ROM drive. These licensed products may be distributed by OEM as finished goods. The license restricts the OEM from sub-licensing the products for inclusion in in PC's for parties other than end-users. CD-ROM drive must meet performance requirements of MPC specification. Contact Tomgo or Pamela to quote these products.
- Note 8: License includes only Multimedia extensions for Windows.

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Packaged MS-DOS 5.0 (includes shell and QBasic interpreter)

	Product Offering FOB MS US Warehouse	Minimum shipment quantity	
		30-999	1,000+
D1	US version	\$60	\$55
	US MS DOS 5 Upgrade	\$51	\$51
	Spanish version	\$85	\$79
	Portuguese version	\$85	\$79
	Arabic version	\$85	\$79
	Hebrew version	\$85	\$79

D2	Int'l English version	\$79	\$74
	French version	\$85	\$79
	German version	\$85	\$79
	Spanish version	\$85	\$79
	Russian version	\$85	\$79
	Italian version	\$85	\$79

Packaged Systems Products

	Product Offering FOB MS US Warehouse - Per Order Pricing	Minimum shipment quantity	
		30-999	1,000+
D3	MS-DOS 3.3	\$60	\$55
	MS-DOS 4.01	\$60	\$55
	Windows 3.0, US version	\$79	\$69
	MS-DOS 5.0 & Windows 3.0 Combo	\$115	\$99

Notes for "D" Tables

- Note 1: Packaged product pricing is based on shipment quantity.
- Note 2: MS-DOS 4.0 & 5.0 includes the Shell.
- Note 3: German and Italian Packaged MS-DOS shipped only out of GmbH & SpA warehouses, respectively. Spanish MS-DOS is shipped out of the US and SARL. Arabic and Hebrew MS-DOS are shipped only from Corporate. Russian MS-DOS is primarily shipped out of GmbH but stock is kept at Canyon Park for large per system contracts.
- Note 4: MS-DOS 5 includes the QBasic interpreter. Versions prior to MS-DOS 5 include the GWBasic interpreter.

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MS-Networks 1.1 for MS-DOS (Redirector)

(US version)	1K	3K	6K	25K	50K
N1 MS-DOS 4.x or 5.x redir (Net 1)	\$18	\$18	\$15	\$12	\$10

Note 1: Additional charge for localized versions is \$2.00.

Note 2: The MS-Net redirector is not licensed for use with LM Networks.

LAN Manager 2.0

Each product added to a license requires a commitment. See worksheet. Read notes before using price list.

(US version)	\$250K	\$500K	\$1M	\$2M
N2 LAN Manager 2.0 Server (includes 5 users)	\$225	\$175	\$150	\$135
10 User Pak (max concurrent users increment by 10)	\$225	\$175	\$150	\$135
Unlimited User Pak (concurrent user limit removed)	\$895	\$775	\$725	\$675
Multiprocessor LAN Manager Drivers	\$450	\$390	\$365	\$340
TCP/IP 1-user utilities (8)	\$40	\$36	\$32	\$28
TCP/IP 10-user utilities (8)	\$400	\$360	\$320	\$280
TCP/IP 10-user w/out utilities (8)	\$15	\$10	\$7	\$5
TCP/IP 1-user w/out utilities (8)	\$150	\$100	\$70	\$50
MAC Connectivity/server	\$185	\$144	\$124	\$111
Asynchronous Dial In/server (8)	\$344	\$268	\$230	\$207

Note 1: A standard OEM license for LAN Manager allows the OEM to distribute three LAN Manager products. (1) Base Server with 5 users, (2) 10 User Pak and (3) Unlimited User Pak. The OEM can optionally add an exhibit to include Multiprocessor driver distribution but this also requires additional fees and conditions as described below.

Note 2: LAN Manager 2.0 Commitment is a \$\$s commitment to the product. The actual units shipped will vary according to the OEM's mix between the three LAN Mgr products.

Note 3: The Base LM Server can concurrently service 5 clients. There is no limit to the number of clients that can be connected on the network; the limitation extends to the number of concurrent users and the number of copies users can make of the software.

Note 4: The OEM's royalty fee for selling an update from Version 1.0 to Version 2.0 is 50% of the 2.0 royalty for an equal or greater capacity network.

Note 5: OS/2 is not included with LAN Manager 2.0. The user must license OS/2 separately. LM 2.0 requires OS/2 1.21 or 1.45 at the server and supports client workstations running OS/2 1.1 or 1.2, and MS-DOS 3.3 or later versions.

Note 6: Royalties for all localized products are 15% higher than US version counterpart shown here.

Note 7: Source licensing is discouraged. Work with VP OEM to develop pricing if necessary.

Note 8: TCP/IP ships in object code form. Refer inquiries of license source code to V.P. of OEM. Utilities included from DOS 4, OS/2, BSD 4.3 socket interface, Netbios, FTP RCP, RSH, Ping, Telnet, VT100 (DOS Only), TTY, BAPY.

Note 9: Maximum concurrent asynchronous users is 16 per server due to netbios limitations.

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SQL Server

(US versions)		Annual \$ Commitment for two-year license			
		\$250K	\$500K	\$1M	\$2M
N4	SQL Entry (limited to 5 users)	\$250	\$200	\$175	\$150
	SQL 10 Pak	\$250	\$200	\$175	\$150
	SQL Unlimited Server	\$550	\$475	\$400	\$350
	Upgrade to Unlimited	\$450	\$380	\$320	\$280

Comm Server & Comm Workstation

Each product added to a license requires a commitment. Read notes before using price list.

(US versions)		Annual \$ Commitment for two-year license			
		\$250K	\$500K	\$1M	\$2M
N5	Comm Server: (2-10 users)	\$340	\$290	\$250	\$220
	Comm Server: (2-32 users)	\$1,100	\$950	\$800	\$700
	Comm Server (unlimited)	\$1,600	\$1,350	\$1,100	\$900
	Comm Workstation	\$100	\$90	\$80	\$70

Note 1: Upgrading between network capacity products requires payment of 110% of the difference in price.

Note 2: Commitment to Comm Server = Workstation commitment + Server Version commitment. Example: \$250K Workstation level commitment and \$500K server level commitment. Min Commitment = \$250K + \$500K = \$750K. This example OEM pays Comm Workstation royalties at \$100, 2-10 User at \$290, 2-32 User at \$950, and Unlimited User at \$1,350.

Note 3: Comm Server and the Comm Workstation products require separate Exhibit C's.

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LAN Manager for Unix Server

Standard platform for allowing MS-DOS and OS/2 workstations to communicate with non-OS/2 servers.

(US version)	\$250K	\$500K	\$1M	\$2M
N7 Intel Based PC Systems				
Base Server (Includes 5 free users)	\$225	\$175	\$150	\$135
10 User Pack	\$225	\$175	\$150	\$135
Upgrade to Unlimited	\$770	\$700	\$675	\$640
LM Unlimited Server	\$895	\$775	\$725	\$675
RISC Based Workstations				
Base Server (Includes 5 free users)	\$225	\$175	\$150	\$135
10 User Pack	\$225	\$175	\$150	\$135
Upgrade to Unlimited	\$870	\$800	\$775	\$740
LM Unlimited Server	\$995	\$875	\$825	\$775
Mini Computers (VAX, AS/400 etc.)				
Base Server (Includes 5 free users)	\$450	\$350	\$300	\$270
15 User Pack	\$340	\$265	\$225	\$200
Upgrade to Unlimited	\$1,120	\$895	\$775	\$700
LM Unlimited Server	\$1,360	\$1,060	\$900	\$800
Mainframes (IBM 9370, 3090, etc)				
Base Server (Includes 5 free users)	\$565	\$440	\$375	\$340
25 User Pack	\$565	\$440	\$375	\$340
LM Unlimited Server	\$2,260	\$1,760	\$1,500	\$1,360

	Rights to Use (3 CPU's)	Additional CPU	Additional Platforms Rights to 3 CPU's	Additional Copies
N8 Source Code Fees				
<i>If not current licensee of LM for UNIX 1.1</i>				
If purchased before September 1, 1991	\$75,000	\$2,500	\$35,000	\$2,500
If purchased after September 1, 1991	\$100,000	\$1,500	\$80,000	\$2,500
<i>If current licensee of LM for UNIX 1.1</i>				
If purchased before September 1, 1991	\$50,000	\$2,500	\$35,000	\$2,500
If purchased after September 1, 1991	\$75,000	\$2,500	\$80,000	\$2,500

Note 1: Licenses for the 10-User Pack and Upgrade to Unlimited require a license for the Base Server.

Note 2: Upgrade to Unlimited requires the OEM to license the 10-Pack or 15-Pack as appropriate for the OEM's systems.

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LAN Manager for Unix Server

Standard platform for allowing MS-DOS and OS/2 workstations to communicate with non-OS/2 servers.
(US version)

	\$250K	\$500K	\$1M	\$2M
N7 Intel Based PC Systems				
Base Server (Includes 5 free users)	\$225	\$175	\$150	\$135
10 User Pack	\$225	\$175	\$150	\$135
Upgrade to Unlimited	\$770	\$700	\$675	\$640
LM Unlimited Server	\$895	\$775	\$725	\$675
RISC Based Workstations				
Base Server (Includes 5 free users)	\$225	\$175	\$150	\$135
10 User Pack	\$225	\$175	\$150	\$135
Upgrade to Unlimited	\$870	\$800	\$775	\$740
LM Unlimited Server	\$995	\$875	\$825	\$775
Mini Computers (VAX, AS/400 etc.)				
Base Server (Includes 5 free users)	\$450	\$350	\$300	\$270
15 User Pack	\$340	\$265	\$225	\$200
Upgrade to Unlimited	\$1,120	\$895	\$775	\$700
LM Unlimited Server	\$1,360	\$1,060	\$900	\$800
Mainframes (IBM 9370, 3090, etc)				
Base Server (Includes 5 free users)	\$565	\$440	\$375	\$340
25 User Pack	\$565	\$440	\$375	\$340
LM Unlimited Server	\$2,260	\$1,760	\$1,500	\$1,360

	Rights to Use (3 CPU's)	Additional CPU	Additional Platforms	
			Rights to 3 CPU's	Additional Copies
N8 Source Code Fees				
<i>If not current licensee of LM for UNIX 1.1</i>				
If purchased before September 1, 1991	\$75,000	\$2,500	\$35,000	\$2,500
If purchased after September 1, 1991	\$100,000	\$1,500	\$50,000	\$2,500
<i>If current licensee of LM for UNIX 1.1</i>				
If purchased before September 1, 1991	\$50,000	\$2,500	\$35,000	\$2,500
If purchased after September 1, 1991	\$75,000	\$2,500	\$50,000	\$2,500

Note 1: Licenses for the 10-User Pack and Upgrade to Unlimited require a license for the Base Server.

Note 2: Upgrade to Unlimited requires the OEM to license the 10-Pack or 15-Pack as appropriate for the OEM's systems.

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Expanded Marketing Rights for Network Products

For a royalty premium, OEMs may be authorized to distribute the licensed network products below in conjunction with their proprietary value-add software onto hardware their customer may have purchased from another vendor. The idea is to provide a method for OEMs with full-service sales and support organizations to be able to service large corporate customers with Microsoft network products. The value-add software must be of greater value than the Microsoft software sold along with it. Again, this is only available to the OEM's direct sales forces and not to down-stream distribution such as VARs and Distributors. Any such deal needs to be discussed with VP OEM prior to the offering.

	Product Offering	Royalty Premium
N9	OS/2	\$15.00
	LAN Manager	50%
	Comm Server	50%
	SQL Server	50%

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