

July 6, 1992

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Subj: OEM Price Guideline for System Products - FINAL REVIEW DRAFT

Attached is the final revision-review copy of the price guideline that will be published on July 6, 1992. Changes have been made as listed below. If you have further comments, please send them by email or marked hardcopy to me (tomge, 9N1192).

- Incentives: Page 2. New Incentive of \$1 royalty reduction to include registration card in Windows PCs. Also qualify to license MS-DOS CD-ROM extensions at \$0.00 royalty.
- Registration: Page 2. New license clause requiring that a MS registration card be included with the OEMs PC system.
- Min. Commits: Page 2, Tables A1-4. New, low commit price columns for MS-DOS, Windows and Windows/NT.
- MS-CDEX: Page 6, Note 14. MS-DOS CD-ROM extension \$0.00 royalty for including MS registration card with OEMs PC systems.
- Flash File: Page 4, Table B3. Pricing added for Flash File System source code.
- OS/2: Page 4, Table A6. Pricing revised upwards.
- MS-DOS 5.0: Page 2, Tables A1-3. Royalty reductions in low commitment columns and increases in large commitment columns.
 Page 2. Removal of special uplift for Arabic versions. Now use the standard uplift from Table A5.
 Page 5, Note 5. MS-DOS/V pricing clarification's.
- Windows 3.1: Page 2, Tables A1-3. Royalty Increases.
 Page 6, Table D3. Win Ready-to-Run royalty added for Finished Goods.
- Windows/NT: Page 2, Table A4. New per-system and per-copy pricing.
- Pen Windows: Page 4, Table A6. Royalty pricing for Pen Tablets (peripheral devices)
- Font Pack: Page 4, Table A6. Royalty pricing for TrueType Font Pack added.
 Page 6, Table D3. Finished Goods pricing for TrueType Font Pack added.
- Definitions: Page 14. Definitions added for per-processor, per-system and per-copy.
- LAN Man Only: Page 10. Base server user configurations increased to 10-users from 5-users.
- Mice/BallPoint: Pages 12 & 13. Upgrades to 400 PPI from 200 PPI mice and pn updates.
- MS-Video: Page 4, Table A6. New product pricing.

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Microsoft

Internal OEM Price Guideline for Systems Products

July 6, 1992

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Operating Systems

Each product added to a license requires a commitment. OEM must provide end-user support for all licensed products. All products shipped in the U.S. must include a Microsoft end-user registration card. Read notes before using price list.

808X & 80286 Entry-Range CPU's Annual Commitment level for two-year licenses

(US versions)	<5K	10K+	25K+	50K+	100K+	250K+	500K+
A1 MS-DOS 5.0 per system (2,5,9)	\$27.00	\$24.00	\$22.00	\$20.00	\$18.00	\$16.00	\$14.00
MS-Windows 3.1 per system (8,10,11)	\$36.00	\$33.00	\$30.00	\$27.00	\$25.00	\$24.00	\$23.00

80386 Mid-Range CPU's

A2 MS-DOS 5.0 per system (2,5,9)	\$29.00	\$26.00	\$24.00	\$22.00	\$19.00	\$17.00	\$16.00
MS-Windows 3.1 per system (8,10,11)	\$38.00	\$35.00	\$32.00	\$29.00	\$28.00	\$25.00	\$24.00

80486 High-Range CPU's

A3 MS-DOS 5.0 per system (2,5,9)	\$31.00	\$28.00	\$26.00	\$24.00	\$20.00	\$18.00	\$17.00
MS-Windows 3.1 per system (8,10,11)	\$40.00	\$37.00	\$34.00	\$31.00	\$27.00	\$26.00	\$25.00

Windows NT for Intel and MIPS Systems

(US versions)	5K+	10K+	25K+	50K+	100K+	250K+	500K+
A4 MS-Windows NT per-copy	\$98	\$88	\$81	\$74	\$63	\$59	\$57
MS-Windows NT per-system	\$82	\$75	\$69	\$63	\$54	\$51	\$48

Note: MS-Windows NT royalties are for the "base" operating system and do not include royalties for LAN Manager Server nor Multi-Processor features or technology.

Pricing Incentives & Adders

	MS-DOS	Windows 3.1	OS/2 2.0	Win NT
A5 All systems ("per-processor") license (subtract from rty)	(\$1.00)	(\$1.00)	NA	(\$3.00)
3rd year license (subtract from royalty)	(\$1.00)	(\$1.00)	NA	(\$1.00)
4th+ year license (royalty for future versions TBD)	V6.XX	V4.XX	NA	NA
Pre-Install on hard disk drive (subtract from royalty) (4)	NA	(\$2.00)	NA	(\$5.00)
Registration card incentive (subtract from royalty) (14)	NA	(\$1.00)	NA	NA
MS-DOS Shell & Utilities (add to royalty)	\$2.00	NA	NA	NA
Add to 1-year license/extensions (add to royalty)	\$1.00	\$1.00	NA	\$1.00
Add to localized versions (add to royalty)	\$2.00	\$4.00	\$8.00	\$4.00

EXAMPLE 1:

The Annual Commitment Level & Per-System Royalty Determination

In this example, the OEM licenses MS-DOS and Windows on a per-processor basis for all systems. The OEM's "Annual Commitment Level" is determined by aggregating the OEM's total PC shipments. The OEM ships 300K units per year: 50K 80286's, 150K 80386SX's, 50K 80386DX and 50K 80486SX's. Applicable MS-DOS and Windows royalty rates, from the 250K column of Tables A1, A2 and A3, would be:

	ENTRY	MID	HIGH
MS-DOS per-system royalty (no Shell)	\$16.00	\$17.00	\$18.00
Windows per-system royalty	\$24.00	\$25.00	\$26.00

Applying Royalty Incentives & Adders

This OEM receives the lowest price since he committed to a per-processor agreement. Per-processor licenses enjoy a \$1.00 royalty reduction (from Table A5). Further, the OEM has elected to license for a 3-year period, and to pre-install the software on a hard disk drive, subtract another \$1.00 from MS-DOS and Windows royalties, and subtract \$2.00 from the Windows royalty. Since the OEM

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is shipping the shell with all systems (including Windows systems), add \$2.00. Adjustments to the royalties would look like:

	<u>ENTRY</u>	<u>MID</u>	<u>HIGH</u>
MS-DOS per-system royalty	\$16.00	\$17.00	\$18.00
Add MS-DOS Shell	+2.00	+2.00	+2.00
Less per-processor incentive	-1.00	-1.00	-1.00
Less 3-year license incentive	-1.00	-1.00	-1.00
Net MS-DOS Royalty:	16.00	17.00	18.00
Windows per-system royalty	\$24.00	\$25.00	\$26.00
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:	20.00	21.00	22.00

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 unified at flat dollar rates shown in Table A5. Add these flat rates to the royalties from Tables A1, A2 and A3.

EXAMPLE 2:

The Annual Commitment Level & Per-System Royalty Determination

In this example, the OEM will license MS-DOS per-processor and Windows per-system. Non-Windows machines will have the MS-DOS shell, while the Windows machines do not. Once again, the OEM is shipping 50K #0286's, 150K #0386SX's, 50K #0386DX and 50K #0486SX's for a total PC shipment volume of 300K. Of these 300K, 100K will be shipped with Windows, therefore their MS-DOS royalties will be found in the 250K columns, while the Windows royalties will be found in the 100K columns of Tables A1, A2 and A3. The OEM will ship 200K units with the MS-DOS shell (300K - 100K).

	<u>ENTRY</u>	<u>MID</u>	<u>HIGH</u>
MS-DOS per-system royalty	\$16.00	\$17.00	\$18.00
Windows per-system royalty	\$25.00	\$26.00	\$27.00

Applying Royalty Incentives & Adders

The MS-DOS royalty should be reduced by \$1.00 since the OEM is licensing the product on a per-processor basis. Once again, the OEM has elected to license for a 3-year period, and to pre-install the software on a hard disk drive; subtract another \$1.00 from MS-DOS and Windows royalties, and subtract \$2.00 from the Windows royalty. Finally, because the OEM will include a MS registration card in each Windows package, subtract \$1.00 from their Windows royalty. Adjustments to the royalties would look like:

	<u>ENTRY</u>	<u>MID</u>	<u>HIGH</u>
MS-DOS per-system royalty	\$16.00	\$17.00	\$18.00
Add MS-DOS Shell *	+2.00	+2.00	+2.00
Less per-processor incentive	-1.00	-1.00	-1.00
Less 3-year license incentive	-1.00	-1.00	-1.00
Net MS-DOS Royalty:	16.00	17.00	18.00
Windows per-system royalty	\$25.00	\$26.00	\$27.00
Less Reg. card 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:	21.00	22.00	23.00

*applicable only to the 200K units shipped with the MS-DOS shell.

EXAMPLE 3:

The OEM in Example 2 has at the last minute decided to license Win 3.1 CD. They plan to ship half of their 100K Windows machines with Win 3.1 CD and therefore license the product at the royalty rate located in the 50K column of Table A6.

	<u>ENTRY</u>	<u>MID</u>	<u>HIGH</u>
Net Windows royalty from above	\$21.00	\$22.00	\$23.00
Add Win 3.1 CD (Multimedia)	8.50	8.50	8.50
Net Royalty for MM systems	29.50	30.50	31.50

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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
A8 Win 3.1 CD (Multimedia) premium	\$9.50	\$9.00	\$8.50	\$8.00	\$7.50	\$7.00
Windows For Workgroups (15)	\$12.00	\$11.00	\$10.00	\$9.00	\$8.00	\$7.00
MS-Video	\$22.00	\$20.00	\$18.00	\$16.00	\$16.00	\$16.00
MS Pen Ext. w/o Handwriting (1)	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
MS Pen Ext. w/ Handwriting (1)	\$14.00	\$13.00	\$10.00	\$9.00	\$8.00	\$7.00
Pen Ext. for Tablets (Incl.H/W) (13)	\$18.00	\$15.00	\$14.00	\$13.00	\$12.00	\$12.00
Win 3.1 Font Pack Pricing (12)	\$25.00	\$20.00	\$15.00	\$10.00	\$9.50	\$9.00
GWBasic	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
MS-DOS CD-ROM Extensions (14)	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50
Per-copy products for use with Table A1, A2 and A3 per-processor licenses						
MS OS/2 1.21, 1.3, 2.0 per copy *	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00

* OS/2 per-copy royalty available only to per-processor licenses for both Windows and MS-DOS. For OS/2 royalty with per-system licenses of MS-DOS and Windows or MS-DOS-only licenses see VP OEM.

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

(US Versions)	<25K	25K+	50K+	100K+	250K+	500K
B1 Flash EPROM File System v1 & v2	\$2.50	\$1.75	\$1.50	NA	NA	NA
Win 3.1 CD Audio Card (8)	\$42.50	\$39.00	\$35.50	\$32.00	\$30.50	\$29.00
Win 3.1 CD CD-ROM (6)	\$42.50	\$39.00	\$35.50	\$32.00	\$30.50	\$29.00
Win 3.1 CD Upgrade Kit (6)	\$42.50	\$39.00	\$35.50	\$32.00	\$30.50	\$29.00

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
Flash File System Source Code	\$10K
OS/2 1.21 or 1.3 BIOS Source	\$25K
Update of BIOS Source 1.21 or 1.3	\$5K

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MS-DOS 5.0 for Named Development Countries

Named development countries are People's Republic of China, Indonesia and the Soviet Union only. Licensing is for local manufacturers in their country of origin for local language versions of the 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.

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

Notes for "A" and "B" Tables

- Note 1: Pen extensions from Table A5 are premium extensions to the MS-DOS and Windows 3.1 platform, and are priced in A6 as a premium to be added to the Windows 3.1 base royalty. OEM's that wish to license products from A6 without already licensing Windows from A1, A2 and/or A3 should be quoted from Table B1.
- 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. Royalties for ROM versions of MS-DOS versions 5.0 and 3.22 are the same as those listed in Tables A1, A2 and A3 for disk media. For embedded system licensing (ROM DOS for non-PCs) consult with Rayka for pricing.
- Note 3: Prices for OS/2 1.2 User's Guide \$16.00, part number 13238. This is a 6-inch by 8-inch 3 hole punch document inserts (binders not included). The OS/2 1.3 manual set is part number 23943 and priced at \$30.00.
- Note 4: The OEM must be qualified to support Windows directly in every country where it is shipped.
- Note 5: For MS-DOS/V Kanji drivers, there is a \$4.00 special localized version charge in addition to the MS-DOS 5.0 royalty. There are three licensing levels available depending on the extent of adaptation work required the OEM's particular PC systems:
- A. ODK: OEM licenses the product & pays the \$4.00 localized version charge in addition to the MS-DOS 5.0 royalty. OEMs with AT compatible machines may be able to get by with this option. ODK contents are object code only.
 - B. OAK: OEM licenses object code and /V Module source code (deliverable for \$30,000) and pays the \$4.00 localized version charge in addition to the MS-DOS 5.0 royalty. MS-DOS/V 5.0 /V Module source code fee is \$15,000 for OEMs that previously licensed MS-DOS/V 4.01 drivers source code for \$15,000.
 - C. Source: OEM licenses MS-DOS kernel source code for \$25,000 (Table B3), object code deliverable and /V module source code for \$30,000 and pays the \$4.00 localized version charge in addition to Table A5 royalties. MS-DOS/V 5.0 object code fee is \$15,000 for OEMs that previously licensed MS-DOS/V 4.01 driver source code.
- Note 6: 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 distribution with third party hardware inclusion in PCs for parties other than end-users and other OEMs that have licensed Win 3.1 CD. CD-ROM drive and audio card must meet performance requirements of MPC specification. Advise Stevell when quoting these products.
- Note 7: Royalties for localized versions of products are 15% higher than US version counterpart shown here unless the product uplift is specified in Table A5 or elsewhere in the price guideline.
- Note 8: For the US only, Windows 3.X can be licensed for resale in conjunction with hardware other than PC systems provided that the OEM's hardware interacts with Windows so as to provide "significant value or utility" to the user. "Significant value or utility" means that (1) the OEM hardware is the "primary" component of the Windows/hardware offering and (2) the hardware alone carries an SRP of at least twice the current SRP of Windows (i.e. \$300 at the current Windows SRP of \$150). The royalty for such licenses is a \$20 uplift from the applicable royalty in Table A3. The OEM must commit to 25,000 or more units per year. Check with your area director to quote on this business.
- Note 9: The MS-DOS OAK/ODK does not include MS-DOS mouse drivers MOUSE.SYS or MOUSE.COM. These are available to the OEM as part of the standard Mouse license. MS-DOS Mouse drivers can not be licensed separately from the MS-Mouse/Ballpoint.
- Note 10: The Windows 3.1 OAK/ODK includes the Windows 3.1 driver MOUSE.DRV, though not MS-DOS mouse drivers MOUSE.SYS or MOUSE.COM. MS-DOS Mouse drivers are only licensed as part of a MS-

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Mouse/Ballpoint contract.

- Note 11: The rommable version of Windows 3.1 is included with the standard Windows license. The OEM may ship a ROM-executable or RAM-executable version at their applicable royalty from Tables A1, A2 and A3. Technical adaptation support via MS-OnLine is highly recommended for OEMs designing WinROM based systems.
- Note 12: Minimum per-system license quantity is 5,000. Any amounts lower should refer to per-copy pricing in Table. Foreign language versions of the Font Pack should carry a royalty uplift of \$1.00.
- Note 13: Licenses for Pen Extensions for distribution on tablets (non-PC's) are required to license our handwriting recognizer. Tablets are peripheral devices (eg. opaque tablet) as a pen I/O system for use on desktop systems.
- Note 14: MS-DOS CD-ROM Extension royalties are waived (ie. \$0.00) for OEMs that include a MS registration card in with each PC system shipped with MS-DOS or Windows products. These registration cards must include the two following questions for consumers: 1) Do you have a CD-ROM drive as part of this system (either internal or external)? and 2) Are you interested in CD-ROM software products?
- Note 15: Windows For Workgroups royalty assumes pre-installation on a hard disk drive and preexisting Windows license (WFW royalty is in addition to Windows royalty). Add \$1.00 to royalty if the OEM does not pre-install product.

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

	Product Offering FOB MS US Warehouse	Minimum purchase quantity	
		30-999	1,000+
O1	US version	\$55	\$55
	US MS DOS 5 Upgrade	\$51	\$51
	Spanish version	\$85	\$79
	Portuguese version	\$85	\$79
	Arabic version	\$85	\$79
	Hebrew version	\$85	\$79
O2	International 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

	FOB MS US Warehouse - Per Order Pricing	30-999	1,000+
O3	MS-DOS 3.3 *	\$40	\$40
	MS-DOS 4.01 (no 3.5" media available) *	\$40	\$40
	OS/2 1.3, US version	\$65	\$80
	OS/2 1.3, German & French versions	\$90	\$84
	Windows 3.1, US version	\$79	\$69
	Win 3.1, US ver. Pre-Installed RTR (7)	\$67	\$63
	Windows 3.1 Upgrade from 3.0 US ver	\$45	\$45
	Windows Font Pack, US version	\$40	\$40
	MS-DOS 4.01 & Windows 3.0 Combo *	\$79	\$79
	MS-DOS 5.0 & Windows 3.0 Combo *	\$99	\$99

* Products only available while inventory lasts.

Notes for "D" Tables

Note 1: Packaged product pricing is based on purchase quantity.

Note 2: MS-DOS 4.0 & 5.0 include the Shell.

Note 3: German and Italian Packaged MS-DOS is 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 contracts.

Note 4: MS-DOS 5 includes the QBasic interpreter. Versions prior to MS-DOS 5 include the GWBasic interpreter.

Note 5: Royalties for localized versions of products are 15% higher than US version counterpart shown here unless the localized product uplift or localized version royalty is specified elsewhere in the price guideline.

Note 6: Easy Distribution pricing is no longer in this price guide since fulfillment will be through third party vendors. Licensing of this type is still available. For licensing details, prices, terms and conditions please refer to the current distribution contract LE912800.001 available from Tracy Pantor, email tracyp. Presently the program is for U.S. distribution only. Expansion of the program to English language countries is being explored. Contact sales management if you have questions about international distribution.

Note 7: OEM must pre-install Windows 3.1 on the hard-disk drive and comply with the Windows Ready-to-Run Logo license to qualify for this price.

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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 redirector (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 2.1

LM 2.1 10 user server is the standard server for all new licenses. The 5-user version is maintained strictly for those pre-existing LM licenses where the OEM desires to continue with that configuration. Read notes before using price list.

(US versions)	\$250K	\$500K	\$1M	\$2M
N2 LAN Manager Server (includes 10 users)	\$450	\$350	\$300	\$270
10 User Pak (max concurrent users increment by 10)	\$225	\$175	\$150	\$135
Unlimited User Pak (concurrent user limit removed)	\$1,245	\$965	\$825	\$745
TCP/IP Utilities 1-user (8)	\$40	\$36	\$32	\$28
MAC Connectivity/server	\$185	\$144	\$124	\$111
Remote Access Services (9)	\$344	\$268	\$230	\$207

Notes for "N1 & N2" Tables

Note 1: A standard OEM license for LAN Manager allows the OEM to distribute three LAN Manager products. (1) LM Server with 10 users, (2) 10 User Pak and (3) Unlimited User Pak.

Note 2: LAN Manager 2.1 commitment is a dollar (and not a system) commitment to the product. The actual systems shipped will vary according to the OEM's mix between the above LAN Manager products.

Note 3: 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 that software.

Note 4: The OEM's royalty fee for selling an update from Version 1.0 to Version 2.0, or V 2.0 to V2.1 is 50% of the LM 2.0 server royalty for an equal or greater capacity network.

Note 5: LM 2.1 includes the "Server OS/2" code within the OAK, though the OEM must pay a separate OS/2 royalty to ship it under their OS/2 license. Note that this is licensed for server use only and cannot be used to support OS/2 clients.

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 and is available for MS-DOS clients, and OS/2 clients and servers. Refer inquiries to license source code to V.P. OEM. TCP/IP Utilities includes BSD 4.3 socket interface. Utilities for the BSD 4.3 socket interface are BAPI, telnet, FTP, RSH, RCP, VT100 and TTY terminal emulation. See your area director to develop source code pricing if necessary.

Note 9: Maximum concurrent RAS users is 16 per server due to Netbios limitations.

Note 10: No minimum commitments in addition to the LM dollar commitment are due for TCP/IP Utilities, MAC Connectivity and Remote Access Services.

Note 11: OEMs are eligible for a 25% discount off their current royalty for sales made into education markets. These sales must be documented in royalty reports. This is for US distribution only.

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LAN Manager for Unix Server

Each product added to a license requires a commitment. 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 10 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 25 free users)	\$565	\$440	\$375	\$340
25 User Pack	\$565	\$440	\$375	\$340
LM Unlimited Server	\$2,260	\$1,760	\$1,500	\$1,360

Source Code Fees	Rights to use (3 CPUs)	Additional CPU	Additional Platforms Rights to 3 CPUs	Additional Copies
N8 If not current licensee of LM for UNIX 1.1	\$100,000	\$1,500	\$50,000	\$2,500
If current licensee of LM for UNIX 1.1	\$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: Royalties for localized versions of products are 15% higher than US version counterpart shown here unless the localized product uplift or localized version royalty is specified elsewhere in the price guideline.

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%
SQL Server	50%

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SQL Server

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
N4	SQL Entry Server 4.2X (10 user ver.)	\$753	\$602	\$527	\$452
	SQL Unlimited Server 4.2X	\$1,101	\$951	\$801	\$700
	Upgrade to Unlimited Server 4.2X	\$774	\$654	\$550	\$482

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 1.1 (2-10 users)	\$340	\$290	\$250	\$230
	Comm Server 1.1 (2-32 users)	\$1,100	\$950	\$800	\$700
	Comm Server 1.1 (2-64 users)	\$1,600	\$1,350	\$1,100	\$900
	Comm Workstation 1.1	\$100	\$90	\$80	\$70

Notes for "N4 & N5" Tables

- 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 Cs.
- Note 4: Royalties for localized versions of products are 15% higher than US version counterpart shown here unless the localized product uplift or localized version royalty is specified elsewhere in the price guideline.
- Note 5: Contact Matt Ragen (mattro) for situations where an OEM wants to sell Comm Server on hardware other than their own.

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MS Printer Description Languages (PDL)

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

Product Offering	Annual Commitment level for two-year contracts	
		1.5K+
P1 TrueImage PDL (for printers up to 600 DPI) (1,2,3)		\$25

Note 1: License includes access to 35 Roman outline fonts.

Note 2: For printers capable of resolution in excess of 600DPI, contact regional OEM director for quotes.

Note 3: TrueImage PDL source Code Fees (Roman Version): \$95,000. Source code purchase includes 35 Roman outline fonts, design documentation, and source code media.

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US OEM Mouse/Ballpoint "Pack" Pricing

Pack licensing provides smaller OEM's quantity pricing of retail MS product and frees them from the overhead of manufacturing. Each "Pack license" shipment includes Mice/Ballpoints, retail software diskettes and generic documentation from MS in bulk packs. Each pack contains 50 mice or 25 disks, requires no minimum commitment purchase volume. Microsoft provides end-user support for software only.

H1	Product	Part Number	Units per Pack	Pack Price	Unit Price
	200 PPI 9 Pin Serial Mouse (1,2)	24394	50	\$2,250	\$45.00
	200 PPI PS/2 Mouse	31660	50	\$2,250	\$45.00
	400 PPI PS/2/Serial Mouse (1,2)	07685	50	\$2,500	\$50.00
	400 PPI Bus Mouse (3)	05686	50	\$2,250	\$45.00
	Bus Mouse Card (3)	135-099-106	50	\$1,025	\$20.50
	400 PPI Serial/PS/2 BallPoint Including hardware (1,2,5)	18678	50	\$3,750	\$75.00
	Mouse Driver 3.5" 25-Pack (4)	134-495-801	25	\$112.50	\$4.50
	Mouse Driver 5.25" 25-Pack (4)	134-499-801	25	\$62.50	\$2.50
	BallPoint Driver 3.5" 25-Pack (4)	197-495-801	25	\$112.50	\$4.50
	BallPoint Driver 5.25" 25-Pack (4)	197-499-801	25	\$62.50	\$2.50
	9-25 Pin Serial Adapter (2)	05685	1	N/A	\$3.50
	PS/2 Adapter (1)	25528	1	N/A	\$4.50
	BallPoint Case	23831	1	N/A	\$3.75
	BallPoint Cable Extension	21072	1	N/A	\$11.25
	V 8.2 Mouse Manual (4)	28662	1	N/A	\$2.00
	V 8.2 BallPoint Manual (4)	28664	1	N/A	\$2.00
	Mouse Clam Shell	20949	1	N/A	\$1.00
	BallPoint Clam Shell	13337	1	N/A	\$1.50

Notes for Table H1 Pricing

1. These devices with the PS/2/Serial Combination interface come standard with a serial 9 pin connector but can be converted to work as a PS/2 device by plugging the 25528 PS/2 Adapter at the end of its cable. The 25528 PS/2 adapter will not convert the 02807 serial mouse to be compatible with the PS/2 port.
2. These devices come equipped with a 9 pin (DB9) connector. If the host PC's Serial Port has a 25 pin connector, the 05685 9-25 pin adapter must be used.
3. The Bus mouse 05686 requires the use of the Bus Mouse Card 135-099-106 installed in the host PC.
4. Pack customers are required to purchase enough software diskettes and manuals for each mouse purchased.
5. Hardware includes tilt mechanism, universal clamp with #2 clamp arms.
6. All Mice and BallPoints are sold in bulk packages containing 50 mice each.

International OEM Mouse/Ballpoint "Pack" Licensing

Contact Beth Featherstone (bethfe) and Subsidiary General Manager or Area VP.

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US OEM Mouse/Ballpoint "Bulk" Licensing

The Bulk OEM Business provides bulk shipment of Mice, Ballpoints along with master copies of the driver and on-line documentation. This master copy of the software and documentation can be re-produced by the OEM for delivery to their customer or in the case of software, pre-install it on hard drives. Bulk licenses are for US distribution only, require minimum volume commitments with 6-month rolling forecasts. Orders are for minimum 500 unit quantities and require a 120 day lead time. OEM provides end-user support.

H2	Product	Part Number	Annual Commitment Volume					
			2K	5K	10K	20K	50K	100K
	400 PPI 9 Pin Serial Mouse (1,2)	24394	\$34.25	\$23.50	\$21.75	\$19.50	\$18.50	\$17.00
	400 PPI PS/2 Mouse	31660	\$36.50	\$28.00	\$25.50	\$23.50	\$21.50	\$20.25
	400 PPI Serial/PS/2 Mouse (1,2)	07635	\$38.00	\$28.00	\$25.50	\$23.50	\$21.50	\$20.25
	400 PPI Bus Mouse (3)	05688	\$33.80	\$22.75	\$20.75	\$18.00	\$17.50	\$16.50
	Bus Mouse Card (3)	135-099-106	\$18.5	\$18.50	\$18.75	\$15.50	\$14.25	\$13.25
	400 PPI Serial/PS/2 BallPoint w/ HW (1,2,5)	18678	\$71.75	\$68.50	\$62.25	\$57.00	\$52.75	\$49.00
	400 PPI Serial/PS/2 BallPoint w/UK (1,2,4)	24558	N/A	\$52.75	\$48.25	\$47.50	\$44.50	\$41.25
	400 PPI PS/2 BallPoint with UK (4)	32048	N/A	\$51.50	\$47.00	\$45.50	\$42.50	\$39.00
	9-25 pin Serial Adapter (2)	05685	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50
	PS/2 Adapter (1)	25528	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50
	Mouse Clamshell	20949	N/A	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
	BallPoint Clamshell	13337	N/A	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50
	BallPoint Case	23831	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75
	BallPoint Extension Cable	21072	\$11.25	\$11.25	\$11.25	\$11.25	\$11.25	\$11.25

Notes for Table H2

- These devices with the PS/2/Serial Combination interface come standard with a serial 9 pin connector but can be converted to work as a PS/2 device by plugging the 25528 PS/2 Adapter at the end of its cable. The 25528 PS/2 adapter will not convert the 02807 serial mouse to be compatible with the PS/2 port.
- These devices come equipped with a 9 pin (DB9) connector. If the host PC's Serial Port has a 25 pin connector, the 05685 9-25 pin adapter must be used.
- The Bus mouse 05686 requires the use of the Bus Mouse Card 135-099-106 installed in the host PC.
- BallPoints without Universal Clamps are design for use with Custom Clips and the BallPoint Docking Port. These mounting techniques must be designed for the particular machine the BallPoint is expected to work with. For more details on the Custom Clip or Docking Port, please contact the OEM Product Manager.
- Hardware includes tilt mechanism, universal clamp with #2 clamp arms.
- All Mice and BallPoints are sold in bulk packages containing 50 mice each.

International OEM Mouse/Ballpoint "Bulk" Licensing

Contact Beth Featherstone (bethfe) and Subsidiary General Manager or Area VP.

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Systems PGL Addendum

Definitions

- Per Processor:** means either "all Intel Processors a customer ships" or "all shipments of a particular type of Intel CPU" (eg. all 80386sl, 80486rx). This means that if we sign a Windows 3.1 license for an OEM's 80486dx systems, the OEM will qualify for the \$1.00 royalty incentive deduction for per-processor licenses. Note: for per-processor licenses, CPU types include all speed (MHZ) variations of the particular processor(s). If certain processor speed variations are excluded in the license then it will be a per-system license.
- Per System:** means "all units of a particular model" that the customer ships (eg. all units of Compaq's Deskpro). This is the proper licensing form if the OEM limits the license to a particular subset of a given processor type, i.e. 33MHz 486DX.
- Per copy:** is a license where a royalty is paid to MS whenever a copy or unit of the licensed MS product ships. The OEM is permitted to ship the licensed product only in conjunction with a PC system or defined hardware product.

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