Welcome

Welcome and thank you for the opportunity to share Oracle’s pricing and licensing policies.

Some of you may ask, why now? It’s simple really; software pricing and licensing strategies now more than ever are an important aspect of managing today’s business climate. Shifting market conditions and shortened business cycles seem to be the norm, no longer the exception.

As your company faces these changing markets and an always growing number of new technology options, we understand that optimizing your software investment can appear to be a daunting task. We are committed to you, and we want you to be successful. To help you achieve this goal, we have developed this *Software Investment Guide*. The purpose of the guide is to help you optimize your software investment by enhancing your understanding of Oracle’s licensing and pricing practices. We believe that by sharing our expertise, we empower you to better manage your Oracle licenses, and to make more informed software investment decisions on the whole.

**How was the Software Investment Guide Developed?**

We spent a lot of time listening to our customers, working with industry analysts and our partners. Here’s what you told us. You want simple, flexible, and transparent pricing and licensing policies that help you manage your business more efficiently. You also told us what your challenges have been: managing software investments across a broad set of constituents (including departments, LOBs, and subsidiaries), understanding the range of licensing policies offered by various vendors, and navigating the uncertainties associated with a fluid economy coupled with changes in the IT industry.
As the world’s largest enterprise software vendor, Oracle is assuming a leadership role in providing you, our customers, with the flexible and transparent pricing and licensing policies you desire. To that end, our Software Investment Guide will facilitate better planning, managing, and optimization of your Oracle investment.

Thank you. We appreciate your business.
Contents

How to Use this Guide

Key Questions Savvy Buyers Ask

Licensing Overview

Technology Products

Application Products

Services

Leveraging Your Oracle Investment

Need More Help?

Legal Notice

Index
How to Use this Guide

Given that we have over two hundred thousand customers and sell nearly one hundred and fifty products on multiple platforms, the number of possible software pricing configurations is virtually limitless. How you deploy software within a given hardware environment and who you allow to access that software will be key factors in determining your total licensing costs. This guide represents our most current pricing and licensing practices and is designed to facilitate your understanding of our pricing models.

We provide a detailed overview on how to license all Oracle products, from the Oracle-9i Database platform and Application Server to the Oracle 11i E-Business Suite applications. Eight easy-to-read sections enable you to directly navigate to the topics that interest you most. For example, if you want to compare the difference between licensing Discrete Manufacturing as a stand-alone application or licensing the entire E-Business Suite by Professional User, you can simply go to the table of contents and hyperlink to the Applications Products section of the guide. Within every section, each specific topic is also hyperlinked to accelerate your ability to get to the right information. Additionally, we've included illustrations to enhance your understanding of our pricing practices related to data environments, batch processing, and more. Pricing information on Oracle services, such as support, outsourcing, consulting, and education is also here.

This guide is your key source for Oracle licensing information. For exact terms and conditions which govern your usage, please consult your specific Oracle License Agreement. To purchase licenses, please contact your account manager, authorized Oracle Reseller, or go to the Oracle Store to buy online.
Key Questions Savvy Buyers Ask

While businesses buy software for many reasons, their needs and objectives may be very different. As you consider the choices of software available to you, you will no doubt encounter questions. The next several questions are ones that you should carefully consider before you make your software investment. The answers that we provide are designed to guide your software evaluation process. The remainder of this guide provides detailed information on Oracle's pricing and licensing practices, which will help answer the questions identified here.

What business need does the software address?
While businesses buy software for many reasons, it is critical for you to understand why your company is making this investment. The first step in the procurement process is to determine what business need the software is helping you solve.

For example, imagine your company sells an average of 60,000 exercise videos a day by taking orders through your call center. You just received a telecom report that indicated that the company is experiencing 20,000 dropped calls per day due to capacity issues. Additionally, an internal analysis has generated a report with a demand forecast of 120,000 video units per day. Based on USD 15.00 net profit per video, you realize that you’re missing out on a revenue opportunity equal to USD 900,000 per day. Short of building another call center, and hiring more personnel to staff it, along with the hardware, software and other infrastructure requirements and the time it takes, you start reviewing your company’s options. You realize you have two opportunities to sell more videos. The first is increasing the efficiency of your order management process. Previously, you had not invested in this area and have very limited automated processes. You determine that an order management software product will increase a rep’s order taking efficiency by 25% per day. You also determine that if you had a Web site that enabled customers to purchase your videos online, you’d capture the overflow orders not taken through the call center. You realize these improvements will also keep your competitors at bay, while making it easy for your customers to buy from you.

Your business objective: Facilitate my company’s ability to take more orders per day and generate more revenue.
What functions do the products we are buying perform, and does this functionality address our required business objectives?

This is a simple question, but one that is not asked often enough. Based on the example above, if you were to purchase an order management software program without also buying a Web store application, your business problem would only be partially solved. The efficiencies gained with order management would not mitigate the entire call center overflow issue. Therefore, without enabling online purchasing in addition to order management, you would lose the opportunity to capitalize on the forecasted demand opportunity.

How much software do we need to purchase now?

Now that you’ve decided to buy Oracle software, your next key decision is to determine how much software you need. A rule of thumb is to review an average of three years of data before making this decision. For example, if you’re licensing a product that is priced by named users, you’ll want to determine the average number of persons in the service department who would use the software. Assume the number of people in Year 1 is 200, in Year 2 is 300, and in Year 3 is 275. This would mean your three-year average is 259 users. This gives you a baseline to start, but in no way determines that you should purchase 259 licenses. For the past 2 years, your usage has been between 275 and 300 people, and therefore purchasing licenses for 259 users would leave you under-licensed. While it’s not a good idea to purchase more software than you need, you do need to buy enough. Make sure you do an adequate assessment of your company’s usage requirements. Remember, a support fee is based on the total number of licenses purchased.

How do a software provider’s support policies affect our current and future licenses?

Typically, when people usually think about technical support, they think about talking to someone on the phone. They ask, how do I contact you when there’s a problem, and who’ll be available to help me fix my problem?

The second issue people ask about is update rights. By paying for updates now, what will they get in the future? Today, many supported customers expect to get future versions of the products they originally licensed. For example, supported Oracle6 customers got Oracle7, Oracle8, Oracle8i and now Oracle9i.
Finally, people ask what happens if a product they bought licenses for gets bundled with another product. This can happen for many reasons, including product release efficiencies and other management considerations. Typically, for customers who have purchased perpetual licenses and are current on their support, their license grant is maintained.

For example, in June 2000, Oracle Forms Server was bundled into the Enterprise Edition of Oracle9iAS. Supported customers of Forms Server were given restricted use licenses of Oracle9iAS Enterprise Edition. For customers who want to upgrade to the full functionality of Oracle9iAS Enterprise Edition, Oracle provides an easy migration path. See the Leveraging Your Oracle Investment section for more details.

Who is responsible for understanding our license set and managing to it?

No one can overstate the importance of designating an individual or group who will be responsible for understanding your license agreement and managing to it. The number one compliance issue is over-deployment. This occurs when users who are not licensed for the software are using it. Naturally, Oracle expects customers to acquire licenses for all use of programs. When software is over-deployed, it is uncomfortable for all parties involved. By developing a software management tracking process, many over-deployment situations can be avoided.
Licensing Overview

Software License Definition
Rights Granted
Term vs. Perpetual License
License Types
License Metrics
Minimums
Discounts

Software License Definition
A software license is a contract between a software company and the user of that software. The software license grants the user specific, limited rights to use the software in particular ways. It also allows the developer or publisher to continue to own the software. This retained ownership is very important because it allows the developer or publisher to control the future development of the software, and to ensure that the software meets its quality control standards on an ongoing basis.

A license can be granted in many different ways. In the software industry, the most common ways of granting licenses are through a written and signed agreement or via a written shrinkwrap or clickwrap agreement, in which the user indicates acceptance of the rights and limitations in the license by opening the software package or clicking a button on a computer screen. Oracle uses a combination of written agreements to license our software. The overarching license rights are described in the Oracle License and Services Agreement (the OLSA), and rights regarding specific products and services are described in the Ordering Document. When you sign or otherwise accept your Ordering Document, you are indicating your acceptance of the license terms in the OLSA and the Ordering Document. The Oracle Store uses a "clickable" version of the OLSA and Ordering Document. (For older Oracle customers who have signed Software License and Services Agreements (SLSAs) with Oracle, the SLSA serves the same function the OLSA serves.)
Rights Granted
Oracle License Agreements and Ordering Documents grant customers specific rights to use Oracle software, and customers’ rights are limited to those rights that are expressly granted. All other rights in the programs are reserved by Oracle.

To facilitate shipping and minimize the number of CDs a customer has to track and manage, Oracle includes many different software products in a single CD Pack. Customers may fully use only those programs for which they are specifically licensed. Receipt of the CD does not constitute an authorization to use any unlicensed products. However, the OLSA includes a provision that allows customers to use programs for which they have not purchased licenses on a 30-day limited trial basis.

Term vs. Perpetual License
Many software licenses specify a limited time period, or term, during which the user is allowed to use the software. At the end of the term, the user must stop using the software unless he purchases new licenses or extends the term of the license through an agreement with the software developer or publisher. A perpetual license allows the user to continue to use the software for as long as he continues to comply with the terms of the license agreement.

Oracle offers one–year, two–year, four–year, and perpetual licenses. Customers may extend the term of a two– or four–year term license by purchasing an additional term or perpetual license.

License Types
A license type determines how Oracle software can be used. The standard license type offered by Oracle is a Full Use license. A Full Use license allows the end user to use the software for development, testing, production, and fail–over use. (A detailed explanation of these license environments is provided in the Technology Product section.)

Oracle partners offer Full Use licenses and two additional license types that are more restrictive than Oracle Full Use licenses: Application Specific Full Use and Embedded.
Application Specific Full Use
An Application Specific Full Use (ASFU) license is a restricted type of license sold by an Oracle Solution Provider in conjunction with a single Application Package. The ASFU allows the end user to use the Oracle software solely in conjunction with the Solution Provider’s specific application for development, testing, production, and fail-over use and cannot be modified for use with any third-party applications.

If an Oracle Solution Provider resells its application package with ASFU licenses, the end user can use Full Use Oracle licenses to run the Solution Provider’s application instead of the ASFU licenses.

Embedded Software License
An Embedded Software License (ESL) is a restricted type of license sold by an Oracle Solution Provider when the Oracle software is embedded in the Solution Provider’s application package. Embedded licenses may be used by the end user only to execute the Solution Provider’s single application program. Embedded Software Licenses may not be used with more than one application package.

Since a condition of reselling an ESL is to fully integrate the Oracle programs with the application package of an ESL partner, these licenses are neither upgradable to Full Use or Application Specific licenses, nor are they migratable to other license metrics. Additionally, an Oracle sublicense must be sold with each application package license, regardless of whether the end user already owns other Oracle licenses.

Please refer to the terms and conditions of your ASFU or ESL for details of exact rights granted under these license levels.

License Metrics
A license metric determines how the usage is being measured when Oracle licenses its software to a customer. An example of a current license metric is “Application User,” which is defined as “an individual authorized by you to use the application programs which are installed on a single server or on multiple servers regardless of whether the individual is actively using the programs at any given time.” If a customer purchases licenses for a program licensed on an Application User basis, then he will need to acquire licenses for every person he authorizes to use the program.
In many of our definitions, we use the terminology “installed”. Installed refers to the Oracle Media being used to create a database. During this state, background processes are not loaded into the memory of the server (the Oracle Database is not in "mount" or "run" state).

License metrics are selected carefully to reflect the functionality the product offers and the value the customer receives from utilizing that functionality. Accordingly, new license metrics may be created and old ones obsoleted as technology and software products evolve over time. The license metrics that are relevant to your configuration will be included and defined in your Ordering Document, and will remain in effect for the license granted in the Ordering Document throughout the term of that license.

**Minimums**

Minimums are used in conjunction with license metrics and refer to the minimum number of licenses a customer is required to purchase when licensing Oracle products. Oracle uses license minimums to establish base values for our products, so minimums vary by product and license metric. For example, the minimum number of Processor licenses required when licensing Oracle Database Enterprise Edition is one, while the minimum number of Person licenses required when licensing Human Resources is 100. For all Oracle products, customers are required to obtain licenses based on their actual software usage or Oracle's licensing minimums, whichever is greater.

**Discounts**

While a global price list ensures that Oracle offers a consistent list price around the world, Oracle's E-Business discount helps to ensure that net prices are consistent as well. The E-Business discount is a standard discount based on transaction volume. The transaction volume includes the list license price and the list support price for new licenses. Because the E-Business discount is transaction based, transactions that occur at different times may have different discounts. Non-simultaneous transactions cannot be combined to generate a higher transaction volume or achieve a higher discount.
Technology Products

Overview

Oracle segments its product portfolio into two categories: technology products and applications. This section describes Oracle's technology offerings, which include the following categories: Database, Enterprise Managers, Internet Application Server, Tools, Collaboration, Data Warehousing Products and Integration products.

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Database</td>
<td>This first category includes five distinct editions of the Oracle database, each suitable for different development and deployment scenarios. These five editions are: Enterprise, Standard, Standard One, Lite and Personal. In addition, Oracle offers Database options that enhance the capabilities of its Oracle Database Enterprise Edition for specific application environments.</td>
</tr>
<tr>
<td>Enterprise Edition</td>
<td>The Oracle Database Enterprise Edition offers industry-leading scalability and reliability in both clustered and single system configurations.</td>
</tr>
</tbody>
</table>
| Standard Edition | Oracle Database Standard Edition offers a low cost alternative for small/medium business or departmental applications that want the power of Oracle. Oracle Database Standard Edition can only be licensed on servers that have a maximum capacity of 4 single core processors. For multicore chips, the maximum number of cores per server is determined by multiplying the core processor licensing factors (as contained in the processor definition) by the number of cores. The result must be less than or equal to 4 and the total number of cores must be less than or equal to 8. If licensing by Named User Plus, the minimum is 5 Named User Plus licenses. Effective with the release of 10g, the Oracle Database Standard Edition product includes the Real Applications Clusters database option. The Real Applications Clusters option is not included with any Standard Edition versions prior to 10g. Customers who obtain Oracle's Software Updates License & Support for the...
<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Database</td>
<td>Standard Edition Database can upgrade to the 10g version of the product for the supported licenses. Also, Customers must use Oracle Cluster Ready Services as the clusterware; third party clusterware is not supported, AND Customers must use Automatic Storage Management to manage all data.</td>
</tr>
<tr>
<td>Standard Edition One</td>
<td>Oracle Standard Edition One provides companies the total power of Oracle Database at an affordable entry price. Oracle Standard Edition One may only be licensed on servers that have a maximum capacity of 2 single core processors. For multicore chips, the maximum number of cores per server is determined by multiplying the core processor licensing factors (as contained in the processor definition) by the number of cores. The result must be less than or equal to 2 and the total number of cores must be less than or equal to 4. If licensing by Named User Plus, the minimum is 5 Named User Plus licenses.</td>
</tr>
<tr>
<td>Lite Edition</td>
<td>Oracle Lite is the leading platform to develop, deploy and manage mobile applications that store data locally on mobile devices (smart phones, PDAs, handheld computers, and traditional laptops) and synchronize data with central servers.</td>
</tr>
<tr>
<td>Personal Edition</td>
<td>Oracle Database Personal Edition is a full-featured version of the Oracle Database targeted at individuals who require full compatibility with the entire Oracle Database family. Personal Edition provides a maximum of one Named User Plus per database.</td>
</tr>
<tr>
<td>Enterprise Manager</td>
<td>Oracle Enterprise Manager provides a comprehensive management framework designed to support multiple, heterogeneous environments.</td>
</tr>
<tr>
<td>Tools</td>
<td>Oracle offers a complete suite of application development and business intelligence tools for building any kind of e–business application using the latest internet technologies.</td>
</tr>
<tr>
<td>Collaboration</td>
<td>Oracle Collaboration Suite supplies email, voice mail, calendaring, file services, and integrated search capabilities along with the ability to access this information from any type of interface (standard desktop clients, file protocols, Web, wireless, and telephone).</td>
</tr>
</tbody>
</table>
Data Warehousing
Oracle offers a complete, integrated, and open solution for all your data warehousing needs to design, build, deploy, and manage an Intelligent Webhouse. Oracle's data warehousing technologies take full advantage of the Oracle Database.

Integration Products
Oracle’s Integration Products enable you to integrate your legacy data and applications into your Oracle environment.

License Metrics
Oracle's technology products are licensed using the two metrics described below:

Named User Plus Metric
This metric is used in environments where users can be identified and counted. Named User Plus includes both humans and non–human operated devices. All human users and non–human operated devices that are accessing the program must be licensed. A non–human operated device can be many things, like a temperature device. It is important to note that if the device is operated by a person, then this person must be licensed. As described in Illustration #1, the 400 employees who are operating the 30 forklifts must be licensed because the forklift is not a “non–human operated device”.

A licensed Named User Plus may access the program on any instances where it is deployed, provided that the minimum on each server is met.
Manufacturing company has 15 temperature devices to control the temperature in the warehouse. These devices update the Oracle Database.

- 30 forklifts are used by 400 warehouse employees to move the contents in warehouse.
- Forklift has built-in transponder that updates the Oracle Database EE directly.
- Oracle Database is running on a 6-processor server.

### Products to be licensed

<table>
<thead>
<tr>
<th>Oracle Database EE</th>
<th>This product can be licensed by Processor or by Named User Plus metric.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• By Processor: all processors where the database is installed and/or running must be licensed.</td>
</tr>
<tr>
<td></td>
<td>➢ Number of Processor licenses required: 6</td>
</tr>
<tr>
<td></td>
<td>• By Named User Plus: the number of licenses required is 1) the Named User Plus minimum (25 Named Users Plus per Processor) OR 2) the total number of actual users accessing the Database (= # of temperature devices + warehouse employees), whichever is greater.</td>
</tr>
<tr>
<td></td>
<td>1) 25 * 6 Processors = 150 Named Users Plus</td>
</tr>
<tr>
<td></td>
<td>2) 15 temperature devices + 400 warehouse employees = 415 Named Users Plus</td>
</tr>
<tr>
<td></td>
<td>➢ Number of Named User Plus licenses required: 415</td>
</tr>
</tbody>
</table>

If multiplexing hardware or software is used, the number of Named User Plus licenses must be counted at the multiplexing front end. **Multiplexing** is described later in this section.

Minimums for this metric may be discrete quantities, or they may be based on the number of processors in the machine on which the software will be installed and/or run. For example, the minimum for the Database Enterprise Edition, the iAS Standard Edition and the iAS Enterprise Edition is 25, 10 and 10 Named Users Plus per Processor, respectively, while the Database Standard Edition, and Standard Edition One minimums are 5 Named Users Plus. For iAS SE One/SE/EE and iAS Java Edition, the Named User Plus Minimum does not apply if the program is installed on a one processor machine that allows for a maximum of one user per program.
Reminder: Oracle Database Standard Edition can only be licensed on servers that have a maximum capacity of 4 single core processors. For multicore chips, the maximum number of cores per server is determined by multiplying the core processor licensing factors (as contained in the processor definition) by the number of cores. The result must be less than or equal to 4 and the total number of cores must be less than or equal to 8. Effective with the release of 10g, the Oracle Database Standard Edition product includes the Real Applications Clusters database option. The Real Applications Clusters option is not included with any Standard Edition versions prior to 10g. Customers who obtain Oracle's Software Updates License & Support for the Standard Edition Database can upgrade to the 10g version of the product for the supported licenses. Also, Customers must use Oracle Cluster Ready Services as the clusterware; third party clusterware is not supported, AND Customers must use Automatic Storage Management to manage all data. Oracle Standard Edition One may only be licensed on servers that have a maximum capacity of 2 single core processors. For multicore chips, the maximum number of cores per server is determined by multiplying the core processor licensing factors (as contained in the processor definition) by the number of cores. The result must be less than or equal to 2 and the total number of cores must be less than or equal to 4.

Processor Metric
This metric is mostly used in environments where the software users cannot be easily identified or counted, like in internet-based applications. The Processor metric is also used when it is more cost effective than Named User Plus licenses. All processors where the Oracle programs are installed and/or running must be licensed. For the purposes of counting the number of processors which require licensing for a Sun UltraSPARC T1 processor with 4, 6 or 8 cores at 1.0 gigahertz or 8 cores at 1.2 gigahertz for only those servers specified on the Sun Server Table which can be accessed at http://oracle.com/contracts, “n” cores shall be determined by multiplying the total number of cores by a core processor licensing factor of .25. For the purposes of counting the number of processors which require licensing for AMD and Intel multicore chips, “n” cores shall be determined by multiplying the total number of cores by a core processor licensing factor of .50.
For the purposes of counting the number of processors which require licensing for all hardware platforms not otherwise specified in this section, a multicore chip with "n" cores shall be determined by multiplying "n" cores by a core processor licensing factor of .75. All cores on all multicore chips for each licensed program for each core processor licensing factor listed above are to be aggregated before multiplying by the appropriate core processor licensing factor and all fractions of a number are to be rounded up to the next whole number. Notwithstanding the above, when licensing Oracle Standard Edition One or Standard Edition programs on servers with a maximum of 1 processor with 1 or 2 cores, only 1 processor shall be counted.

If the server where the program is installed can be hardware-partitioned and the customer can provide enough information to Oracle to confirm that only part of the server is being used by the Oracle program, then only the part that is being used must be licensed. Please refer to the partitioning section below.
Licensing Policies
Due to their functionality, some licensing policies are specific to technology products.

Prerequisites Rules
Environments to License
Backup/Failover/Standby
Partitioning Servers
Batching and Multiplexing

Prerequisites Rules
Many software products have functional interdependencies with other software products. Sometimes prerequisite products may be made by the same company that makes the primary product, and sometimes by varying vendors. A simple example of this type of functional interdependency is the relationship between a word processing software program and an operating system. Before the word processing software can be used, an operating system must be installed on the hardware as well. Prerequisite products are frequently sold separately.

Many Oracle products have functional interdependencies with other Oracle products. In some cases, prerequisite products are sold separately. In others, where the functional interdependency is more limited, customers automatically receive a free, restricted use license for a prerequisite product or products to facilitate their use of the product they are licensing.

Environments to License
Software is always used in combination with some type of hardware and operating system. In today’s world, software is often used in combination with many different types of hardware and operating systems, which may be networked together in a complex web. Oracle’s software is developed based on open standards that allow it to be installed and used on servers, computers, and devices made by multiple manufacturers and running different operating systems.
The term “configuration” is used to describe the combination of hardware, software, and licensed users and devices that an individual customer has or wants to run. For example, one possible (and very basic) configuration would be 160 Named Users Plus of Oracle Database Enterprise Edition running on a Sun Solaris server.

Use of any Oracle software product requires a license from Oracle. In order to maximize the value you receive from your Oracle software, you will want to be sure you are licensed to use it in different environments, such as development, test, production and standby. See illustration #2.

**Development** – Set up, customization, and modification of software is done in a development environment. Any person doing development work using the software must be licensed. Oracle software may be downloaded for limited development work via the Oracle Technology Network (OTN). Software downloaded from the OTN Website is governed by a special agreement called the OTN Development License. This agreement grants the individual the right to use the programs only in a development environment; licenses obtained under this agreement may not be used in test, production, fail-over, or any other environments. Additionally, customers who want to use any applications developed under an OTN license for internal data processing, commercial or production purposes must secure a Full Use Oracle license for any of the development software licensed under the OTN agreement prior to using the applications for such purposes.

Customers wanting a less restrictive license for development work may obtain Full Use licenses under a standard Oracle License and Services Agreement (OLSA) from the Oracle Store (http://www.oracle.com/store) or through their Oracle Sales Representative.

**Test/Staging** – Test/staging environments are used to verify that new or customized code runs properly. Test/staging environments can be staged on separate servers or on the same servers used to run a development or production environment. Any Oracle software used in test/staging environment must be properly licensed with a Full Use license under an Oracle License and Services Agreement (OLSA) or other appropriate Oracle (or Oracle authorized reseller) license agreement. If a test/staging environment is maintained on the same server as a production or development environment, and that server is fully licensed for all relevant programs on a per Processor metric, then no additional licenses are required for the test/staging environment.
**Production** – The environment used by end users for business or other operations is called a production environment. All programs used in the production environment must be properly licensed based on the applicable license metrics under an Oracle License and Services Agreement (OLSA) or other appropriate Oracle (or Oracle authorized reseller) license agreement.

Illustration #2: Multiple Environments on one Server

- Staging, test and production environments are installed and running on a server, which has 6 processors
- 10 Developers are working on the staging, test and production environments
- 500 Traders are using the Web site that resides on the production environment

<table>
<thead>
<tr>
<th>Products to be Licensed</th>
<th>Number of Licenses required</th>
</tr>
</thead>
</table>
| Oracle Database EE (Test, Staging & Production) | This product can be licensed by Processor or by Named User Plus metric:  
  - If licensing by Processor, all processors where the database is installed and/or running must be licensed.  
    - Number of Processor licenses required: 6  
  - If licensing by Named User, the number of licenses required is 1) the Named User Plus minimum (25 Named Users Plus per Processor) OR 2) the total number of actual users accessing the Database (= # of traders + developers), whichever is greater:  
    1) 25 * 6 Processors = 150 Named Users Plus  
    2) 500 traders + 10 Developers = 510 Named Users Plus  
    - Number of Named User Plus licenses required: 510  
  Note: If the server is fully licensed by Processor then no additional licenses are required to install and/or run other environments that are configured on the same server. |
Backup/Failover/Standby – Oracle differentiates between 3 methods of database recovery:

- **Backup** – In this type of recovery, database files of the primary database are stored on tape media. In this type of environment, Oracle permits customers to store a backup copy of the database data on storage devices, such as tapes, without purchasing additional licenses. See illustration #3.

- **Failover** – In this type of recovery, nodes are configured in “cluster,” the first installed node acts as a primary node. If the primary node fails, one of the nodes in the cluster acts as the primary node. In this type of environment, Oracle permits licensed Oracle Database customers to run the Database on an unlicensed spare computer for up to a total of ten separate days in any given calendar year. Any other use requires the environment to be fully licensed. Same rule applies for Internet Application Server. Additionally, the same metric must be used when licensing the databases in a failover environment. See illustration #4.

- **Standby** – In this type of recovery, a copy of the primary database is maintained on a separate server at all times. These systems are configured for disaster recovery purposes. If the primary database fails, the standby database is activated to act as the new primary database. In this environment, both the primary and the standby databases must be fully licensed. Additionally, the same metric must be used when licensing the databases in a standby environment. See illustration #5.
This document is for educational purposes only and provides guidelines regarding Oracle's policies in effect as of March 16, 2006. It may not be incorporated into any contract and does not constitute a contract or a commitment to any specific terms. Policies and this document are subject to change without notice. This document may not be reproduced in any manner without the express written permission of Oracle Corporation. © 2002, 2003 Oracle Corporation. All Rights Reserved.

Illustration #3: Backup

- Staging, test and production environments are installed on server 1, which has 6 processors.
- Backup of the production environment is done on tapes every night by 1 DBA. These tapes are stored in the tape storage unit.
- 10 Developers are working on staging, test and production environments.
- 500 traders are using the Web site that resides on production environment.

<table>
<thead>
<tr>
<th>Products to be Licensed</th>
<th>Number of Licenses Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oracle Database EE (Test, Staging &amp; Production)</td>
<td>This product can be licensed by Processor or by Named User Plus metric.</td>
</tr>
<tr>
<td></td>
<td>• By Processor: all processors where the database is installed and/or running must be licensed.</td>
</tr>
<tr>
<td></td>
<td>➢ Number of Processor licenses required: 6</td>
</tr>
<tr>
<td></td>
<td>• By Named User Plus: the number of licenses required is 1) the Named User Plus minimum (25 Named Users Plus per Processor) OR 2) the total number of actual users accessing the database (= # of traders + developers + DBA), whichever is greater.</td>
</tr>
<tr>
<td></td>
<td>1) 25 * 6 Processors = 150 Named Users Plus</td>
</tr>
<tr>
<td></td>
<td>2) 500 traders + 10 Developers + 1 DBA = 511 Named Users Plus</td>
</tr>
<tr>
<td></td>
<td>➢ Number of Named User Plus licenses required: 511</td>
</tr>
</tbody>
</table>
Illustration #4: Failover

- Failsafe included with Oracle Database EE is installed on nodes 1 and 2; it is running on node 1 only.
- If node 1 fails, node 2 takes over (there is always an idle node with Failsafe or other vendor cluster solutions).

This document is for educational purposes only and provides guidelines regarding Oracle's policies in effect as of March 16, 2006. It may not be incorporated into any contract and does not constitute a contract or a commitment to any specific terms. Policies and this document are subject to change without notice. This document may not be reproduced in any manner without the express written permission of Oracle Corporation. © 2002, 2003 Oracle Corporation. All Rights Reserved.
This document is for educational purposes only and provides guidelines regarding Oracle's policies in effect as of March 16, 2006. It may not be incorporated into any contract and does not constitute a contract or a commitment to any specific terms. Policies and this document are subject to change without notice. This document may not be reproduced in any manner without the express written permission of Oracle Corporation. © 2002, 2003 Oracle Corporation. All Rights Reserved.
Partitioning Servers
Oracle recognizes that customers may elect to partition servers for various reasons. These might include achieving lowered costs and simplified management by running multiple operating systems, such as Windows NT and UNIX, on the same server, or improving the workload balancing and distribution by managing processor allocations within applications and among users on the server. While there are two broad categories of partitioning – software partitioning and hardware partitioning – for licensing purposes, Oracle only recognizes hardware partitioning as a mean to install and license Oracle on fewer than the total number of processors in the box.

Additionally, because Oracle Database Standard Edition cannot be licensed on a machine with a capacity greater than four processors, customers cannot partition a large server (of 64 CPUs, for example) into a four-processor hardware partition, and then license the Database Standard Edition for that partition.

However, Oracle also recognizes the trend in the industry toward "Capacity On Demand" and "Pay as you Grow" models. As such, we allow our customers to license only those processors that they have purchased from their hardware vendors. As customers buy more processor rights, they must also buy additional Oracle licenses.

Batching, Import/Export of Flat Files and Multiplexing
Batching and multiplexing have become increasingly important as computing environments have grown in size and complexity. Unfortunately, what constitutes batching or multiplexing is not always consistently defined from vendor to vendor, which can be confusing. Given that these two processes have different implications from a licensing perspective, it is important to fully understand what Oracle considers each to be.

Batching - Batching is an activity that allows a group of tasks occurring at different times to be processed all at the same time, while requiring little or no interaction from the user. For most environments, batching is performed to transport data from computer to computer where the database is running.
There are two common methods for batching data into or out of a database.

- **Automatic batch/data feeds**: This method is an automatic process that uploads the data in large amounts from computer to computer where the database is running. To enable this process, batching scripts are written and automatically executed (requires no human interaction). See illustration #6

- **Manual batch/data feeds**: This method is a manual process where a user uploads the data in large amounts from computer to computer where the database is running. To enable this process, a user is needed to enable the execution of batching scripts (requires human interaction).

Both Processor and Named User Plus metrics can be used to license environments with batch processing. If licensing a batched environment by Processor, all Processors where the Oracle Database is installed and/or running must be licensed. If licensing a batched environment by Named User Plus, batching data from computer to computer where the database is running, is the only automated process permitted. In addition, in a manual batched environment, users who are performing the batch/data feeds are considered actual users and need to be licensed. The number of licenses required is the licensing minimum or the total number of actual users accessing the Oracle program, whichever is greater.

**Import/Export of Flat Files** – This method requires human interaction and allows importing or exporting of data from flat files (for example, Excel or CSV files) into the Oracle Database using import and export utilities. Both Processor and Named User Plus metrics can be used to license environments with import/export of flat files. If licensing by Processor, all Processors where the Oracle Database is installed and/or running must be licensed. If licensing by Named User Plus, the users who are performing the import/export of flat files are considered actual users and need to be licensed. The number of licenses required is the licensing minimum or the total number of actual users accessing the Oracle program, whichever is greater. See illustration #7.

**Multiplexing** – Multiplexing is when a large number of end users and/or devices access a system via an interface, such as a TP monitor or a Web server product, so that the apparent number of users and/or devices accessing the system is much smaller than the actual number of users and/or devices. If Oracle software is part of an environment in which multiplexing hardware or software is used, then all users and/or devices must be licensed at the multiplexing front end.
Both Processor and Named User Plus metrics can be used to license the multiplexing environment. If licensing a multiplexing environment by Processor, all Processors where the Oracle Database is installed and/or running must be licensed. If licensing a multiplexing environment by Named User Plus, the number of licenses required is the licensing minimum or the total number of actual users at the multiplexing front end who are accessing the Oracle program, whichever is greater. See Illustration #8.

Illustration #6: Batch Processing

- 3 unique Batch/Data feeds that update the Oracle Database
- 300 traders access the Oracle Database EE
- 10 analysts access the 3rd party database
- Oracle Database is running on a 6 processor server

<table>
<thead>
<tr>
<th>Products to be licensed</th>
<th>Number of licenses required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oracle Database EE</td>
<td>This product can be licensed by Processor or by Named User Plus metric.</td>
</tr>
<tr>
<td></td>
<td>- By Processor: all processors where the database is installed and/or running must be licensed.</td>
</tr>
<tr>
<td></td>
<td>- Number of Processor licenses required: 6</td>
</tr>
<tr>
<td></td>
<td>- By Named User Plus: the number of licenses required is 1) the Named User Plus minimum (25 Named Users Plus per Processor) OR 2) the total number of actual users accessing the Database (= # of traders), whichever is greater.</td>
</tr>
<tr>
<td></td>
<td>1) 25 * 6 Processors = 150 Named Users Plus</td>
</tr>
<tr>
<td></td>
<td>2) 300 traders = 300 Named Users Plus</td>
</tr>
<tr>
<td></td>
<td>- Number of Named User Plus licenses required: 300</td>
</tr>
</tbody>
</table>
Illustration #7: Import/Export of Flat Files into Oracle Database

- 3 automated batch feeds that update the Oracle Database
- 500 traders access the Oracle Database via 300 computers
- 10 analysts are accessing the 3rd party database
- 1 DBAs are importing two flat files into Oracle Database
- Oracle Database is running on a 6 processor server

### Products to be Licensed

<table>
<thead>
<tr>
<th>Product to be Licensed</th>
<th>Number of Licenses Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oracle Database EE</td>
<td></td>
</tr>
</tbody>
</table>

This product can be licensed by Processor or by Named User Plus metric:

- **By Processor:** all processors where the database is installed and/or running must be licensed.
  - Number of processors licenses required: 6

- **By Named User Plus:** the number of licenses required is 1) the Named User Plus minimum (25 Named Users Plus per Processor) OR 2) the total number of users accessing the Database (\# of traders + 1 DBA), whichever is greater:
  - 1) 25 * 6 Processors = 150 Named Users Plus,
  - 2) 500 traders + 1 DBA = 501 Named Users Plus

- Number of Named User Plus licenses required: 501
Illustration #8: Multiplexing

Data from the source host system is multiplexed by the Web server where the Web site is configured.

- 500 traders access the Oracle Database
- Oracle Database is running on a 6 processor server

<table>
<thead>
<tr>
<th>Products to be Licensed</th>
<th>Number of Licenses required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oracle Database EE</td>
<td>This product can be licensed by Processor or by Named User Plus metric.</td>
</tr>
<tr>
<td></td>
<td>- By Processor: all processors where the database is installed and/or running must be licensed.</td>
</tr>
<tr>
<td></td>
<td>- Number of Processor licenses required: <strong>6</strong></td>
</tr>
<tr>
<td></td>
<td>- By Named User Plus: the number of licenses required is 1) the Named User Plus minimum (25 Named Users Plus per Processor) OR 2) the total number of actual users accessing the Database (= # of traders), whichever is greater</td>
</tr>
<tr>
<td></td>
<td>1) 25 * 6 Processors = 150 Named Users Plus</td>
</tr>
<tr>
<td></td>
<td>2) 500 traders = 500 Named Users Plus</td>
</tr>
<tr>
<td></td>
<td>- Number of Named User Plus licenses required: <strong>500</strong></td>
</tr>
</tbody>
</table>

**Note:** Given that this is a multiplexing environment, all users at the front end of multiplexing must be licensed.
Application Products

**Overview**
In addition to its technology products, Oracle's portfolio includes applications software. Oracle applications, known as the E-Business Suite, include Oracle's complete set of horizontal and vertical applications. Below is a brief overview of each family of applications:

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intelligence</td>
<td>Helps increase productivity through personalized, self-service reporting and ensures information accuracy with a single source of truth.</td>
</tr>
<tr>
<td>Marketing &amp; Sales</td>
<td>Helps to effectively plan, manage, execute, analyze and optimize overlapping customer-focused programs. Helps maximize sales, increase selling effectiveness, and align sales behavior to corporate objectives across all sales channels.</td>
</tr>
<tr>
<td>Order Management</td>
<td>Enables companies to achieve on-time delivery at lowest cost through robust sales configuration functionality.</td>
</tr>
<tr>
<td>Logistics</td>
<td>Helps to effectively manage inventory.</td>
</tr>
<tr>
<td>Supply Chain Planning</td>
<td>Enables companies to optimize resources across the extended supply chain, and align daily operations with strategic goals, resulting in improved customer service.</td>
</tr>
<tr>
<td>Procurement</td>
<td>Helps companies acquire goods and services at the lowest total cost by automating the entire purchasing lifecycle from planning to procurement to payment.</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>Helps companies increase revenue, profitability, and customer loyalty by increasing customer responsiveness and quality, reducing costs across the supply chain, and increasing operational efficiency.</td>
</tr>
<tr>
<td>Maintenance Management</td>
<td>Enables organizations to plan and execute maintenance activity for their assets.</td>
</tr>
</tbody>
</table>
This document is for educational purposes only and provides guidelines regarding Oracle's policies in effect as of March 16, 2006. It may not be incorporated into any contract and does not constitute a contract or a commitment to any specific terms. Policies and this document are subject to change without notice. This document may not be reproduced in any manner without the express written permission of Oracle Corporation. © 2002, 2003 Oracle Corporation. All Rights Reserved.

**Welcome | Contents | Index**

---

**Software Investment Guide**

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>Helps companies achieve profitable end-to-end service delivery and customer care within their customer support by providing multi-interaction channel access to and from customers within Oracle's E-Business Suite.</td>
</tr>
<tr>
<td>Projects</td>
<td>Enables companies to manage any type of projects, anywhere in the world.</td>
</tr>
<tr>
<td>Product Lifecycle</td>
<td>Streamlines the process of managing a product or service throughout its complete product development lifecycle.</td>
</tr>
<tr>
<td>Management</td>
<td></td>
</tr>
<tr>
<td>Financial</td>
<td>Enables companies to drive profitability.</td>
</tr>
<tr>
<td>Human Resources</td>
<td>Helps companies lower HR administrative costs and empower managers with the right information.</td>
</tr>
<tr>
<td>Data Librarian</td>
<td>Provides a comprehensive view into a company's central repository of customer data and offers specific functionality for data librarians who maintain the integrity and quality of the customer database.</td>
</tr>
<tr>
<td>Interaction Center</td>
<td>Provides the applications and technologies to transform telephony-based call centers into multi-channel e-business sales, marketing, and service machines.</td>
</tr>
<tr>
<td>Technology</td>
<td></td>
</tr>
<tr>
<td>Vertical Applications</td>
<td>In addition to its horizontal applications, Oracle offers vertical applications in the following markets: Communication/Utilities, Public Sector/University, Financial Services, Health Care, High Tech and Aerospace/Defense/Transportation</td>
</tr>
</tbody>
</table>

**Licensing Models**

The E-Business Suite can be licensed using one of the following two models: component pricing, where applications can be licensed individually, or the E-Business Suite 2003 pricing, where the E-Business Suite is licensed using a minimal number of metrics.

**Component Pricing Model**

To reflect Oracle's wide variety of applications, multiple license metrics are offered. These license metrics are divided into two basic categories: user-based and usage-based. User-based metrics count who is authorized to use the software. Usage-based metrics count items the application processes or creates as output.
User–Based Metrics

Below is a subset of user–based metrics:

Application User – This metric is based on the number of users who are authorized to use the application. A licensed Application User may access the application on any instances where it is deployed.

Application Read–Only User – This metric is offered for a limited number of applications and limits users to read–only access and running reports. This metric does not allow users to add, change or delete the content of or data within the application.

Person – This metric is primarily used with Human Resources applications. It is based on the number of people whose records are being managed by the application.

Subscriber – This metric is primarily used with communications/utilities applications. It is based on the number of discrete units subscribing to the product or service managed by the installed program. A subscriber may be a human being, or it may be a non–human connection, such as a working telephone number for wire–line devices, portable handsets or paging devices, or a live connected utility meter. This metric is typically used in conjunction with a module fee.

Usage–Based Metrics:

The most widely used usage–based metrics are described below:

$M Cost of Goods Sold (COGS) – This metric is primarily used with Supply Chain Planning applications. It is based on the cost of the goods that a company has sold and it is defined in millions of US dollars. In the event that the COGS cannot be measured or is unknown, the following proxy is used: $MCOGS are equal to 75% of the company’s total revenue.

Electronic Order Line – This metric is based on the number of Electronic Order Lines that are entered in the application during a one–year period.

Expense Reports – As its name indicates, this metric is used for applications that generate expense reports, and is based on the number of expense reports that are processed through the application during a one–year period.
**E-Business Suite 2003 Pricing Model**

The E-Business Suite 2003 pricing model enables customers to license the Oracle E-Business Suite using a minimal number of license metrics. For new customers who are standardizing on Oracle applications, the E-Business Suite 2003 simplifies the purchasing experience and allows wider access to more functionality for the user population than component–based licensing and pricing does. Supported E-Business Suite customers and supported customers who obtained Oracle applications licenses under a component–based model may migrate their existing licenses to the E-Business Suite 2003 to obtain the same advantages new customers receive. The metrics offered under the E-Business Suite 2003 pricing model are described below.

**Professional User 2003 Metric**

This metric is used to license users who are accessing any of the applications listed in the table below.

<table>
<thead>
<tr>
<th>Business Areas</th>
<th>Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intelligence</td>
<td>E-Business Intelligence</td>
</tr>
<tr>
<td>Marketing &amp; Sales</td>
<td>Marketing, TeleSales, Field Sales</td>
</tr>
<tr>
<td>Order Management</td>
<td>Order Management</td>
</tr>
<tr>
<td>Logistics</td>
<td>Inventory Management</td>
</tr>
<tr>
<td>Procurement</td>
<td>Purchasing</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>Discrete Manufacturing, Process Manufacturing</td>
</tr>
<tr>
<td>Service</td>
<td>TeleService, Service Contracts</td>
</tr>
<tr>
<td>Projects</td>
<td>Project Costing, Project Billing</td>
</tr>
<tr>
<td>Financial</td>
<td>Financials</td>
</tr>
<tr>
<td>Human Resources</td>
<td>Human Resources</td>
</tr>
</tbody>
</table>

In addition to the licensing metrics described above, users who are not employees, contractors or outsourcers using any of the applications above must be licensed using the Professional User 2003– External metric. This delineation between internal and external users offers a reduced price for external users and is unique to the E-Business Suite pricing model.

Applications that are not licensed using the metrics above are licensed using component based pricing as add-ons to the E-Business Suite 2003.
As with all Oracle products, customers are required to obtain licenses based on their actual software usage or Oracle's licensing minimums, whichever is greater.

The licensing minimum for the E-Business Suite 2003 pricing model is based on 10% of the total employee population.

**Licensing Policies**

Due to the nature of applications products, some licensing policies are specific to this offering.

**Prerequisites Rules**

**Primary Usage**

**Prerequisites Rules**

When licensing Oracle applications, specific prerequisite rules apply in addition to the rules described under the technology products section. Oracle differentiates between the different types of modifications that are being made to the application or to the underlying database; different prerequisite and included products are required depending on the type of modification made. Oracle distinguishes three levels of modification that have special licensing requirements:

**No Modifications**: The customer is deploying the application “out-of-the-box.” In this case, the customer receives a Restricted Use license for the Database Enterprise Edition and a limited set of technology products, including Internet Application Server Enterprise Edition. The Restricted Use license is limited to use in running the out-of-the-box application.

**Modifications that require Internet Developer Suite or Discoverer Desktop Edition**: These modifications include any creation or modification of reports, forms, and workbooks. Additionally, they include modifications implemented as Java programs, which include Java that produces html interface or Java business logic. In these two scenarios, the customer still receives a Restricted Use license for the Database Enterprise Edition; however, he is required to purchase licenses for a limited set of technology products, including Internet Application Server Enterprise Edition.
Modifications to the database: These modifications include adding or changing tables, columns, stored procedures, and triggers. In this situation, the customer is required to purchase licenses for the Database Enterprise Edition, as well as Internet application Server Enterprise Edition and a limited set of other technology products.

The table below provides a summary of the products to be licensed in addition to the application:

<table>
<thead>
<tr>
<th>Modification Type</th>
<th>Products To Be Licensed In Addition to the Application(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Oracle Database Enterprise Edition</td>
</tr>
<tr>
<td>No Modifications</td>
<td></td>
</tr>
<tr>
<td>Modification to Forms/Reports/Workbooks</td>
<td></td>
</tr>
<tr>
<td>Modification to the Database</td>
<td>✔</td>
</tr>
</tbody>
</table>

Illustration #1 below provides scenario in which modifications to Forms and the Database are being made.
Illustration #1: Modifications to Form & Database

- Customer has modified Oracle Financials forms and APIs.
- The underlying schema of an Oracle Financials application database is modified.
- 400 financial analysts are using the application.
- 5 Developers are modifying the form.

<table>
<thead>
<tr>
<th>Products to be Licensed</th>
<th>Number of Licenses Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oracle Financials</td>
<td>405 Financials Users</td>
</tr>
<tr>
<td>Oracle Database EE</td>
<td>This product can be licensed by Processor or by Named User Plus metric.</td>
</tr>
<tr>
<td></td>
<td>- By Processor: all processors where the database is installed and/or running must be licensed.</td>
</tr>
<tr>
<td></td>
<td>- Number of Processor licenses required: 6</td>
</tr>
<tr>
<td></td>
<td>- By Named User Plus: the number of licenses required is 1) the Named User Plus minimum (25 Named Users Plus per Processor) OR 2) the total number of actual users accessing the database (= # of analysts + developers), whichever is greater.</td>
</tr>
<tr>
<td></td>
<td>1) 25 * 6 Processors = 150 Named Users Plus</td>
</tr>
<tr>
<td></td>
<td>2) 5 developers + 400 analysts = 405 Named Users Plus</td>
</tr>
<tr>
<td></td>
<td>- Number of Named User Plus licenses required: 405</td>
</tr>
<tr>
<td>iAS EE</td>
<td>This product can be licensed by Processor or by Named User Plus metric.</td>
</tr>
<tr>
<td></td>
<td>- By Processor: all processors where this program is installed and/or running must be licensed.</td>
</tr>
<tr>
<td></td>
<td>- Number of processors licenses required: 6</td>
</tr>
<tr>
<td></td>
<td>- By Named User Plus: the number of licenses required is 1) the Named User Plus minimum (10 Named Users Plus per Processor) OR 2) the total number of actual users accessing the program (= # of analysts + developers), whichever is greater.</td>
</tr>
<tr>
<td></td>
<td>1) 10 * 6 Processors = 60 Named Users Plus</td>
</tr>
<tr>
<td></td>
<td>2) 5 developers + 400 analysts = 405 Named Users Plus</td>
</tr>
<tr>
<td></td>
<td>- Number of Named User Plus licenses required: 405</td>
</tr>
<tr>
<td>Development Toolset</td>
<td>Total number of developers (5 developers) making modifications to the applications</td>
</tr>
</tbody>
</table>
Primary Usage
Oracle recognizes that in a business environment, individuals sometimes will need limited access to applications products other than the applications they use regularly in carrying out their primary job functions. For example, an employee in the Finance Department who usually uses a general ledger application product may also need to view data maintained using an inventory application at month and quarter ends. Purchasing software licenses for all applications for all employees who need this type of limited access can be prohibitively expensive.

To more accurately reflect the value the customer receives from applications licenses, Oracle developed the “primary usage” concept. Within a limited set of Oracle applications products, primary usage allows individuals licensed to use one application (based on the application they use the most) to also use any other application in a limited set for which the customer has licenses. Your Oracle sales representative can advise you as to which applications programs are eligible for primary usage rights. The primary usage concept only applies to the component pricing model. It does not apply to the E-Business Suite licensing and pricing model.

For example, a customer has purchased licenses for 7 users of Financials and 13 users of Discrete Manufacturing. With the primary usage concept, the seven licensed Financials Users can use Discrete Manufacturing, and the 13 licensed Manufacturing Users can use Financials. However, none of the licensed users could use Project Costing, even though Project Costing is eligible for primary usage rights, because the customer has not obtained licenses for Project Costing. Also, keep in mind that licensing minimums must be met for all applications products. So, when licensing Financials and Discrete Manufacturing, the customer has to comply with the minimums of 5 Financials Users and 10 Manufacturing Users respectively.

If this customer wanted all 20 people to use both Financials and Discrete Manufacturing without the primary usage concept, he would have been required to purchase 20 Financials Users licenses for Financials and 20 Manufacturing Users licenses of Discrete Manufacturing.
Services

Overview
Oracle offers a comprehensive family of services, including Support, Consulting, Education, and Software On Demand, which can enhance the effectiveness and value of your software investment.

Oracle Support
Oracle Support services are an important component of your software investment. Acquiring technical support provides you with access to software updates to stay current on the latest technology, allows you to migrate and upgrade your licenses to manage your software environment according to your current business needs, and gives you access to Oracle's expert advice about installing, configuring and running Oracle software in myriad environments.

Oracle software licenses acquired through Oracle partners may be supported by the partner or directly by Oracle, based on the license type and the specific relationship between the partner and Oracle.

Overview
Existing Customers on Metals Support
Existing Customers on Software Updates and Product Support
Desupporting Products
Extended Services

Overview
Oracle provides software maintenance and technical support services under our Technical Support Policies. Technical support services are available for demonstrable problems in the current release of specified Oracle programs. The programs must be running unaltered, on an appropriate hardware and operating system configuration as specified in the program documentation.
Our basic level of service is Software Update License & Support, which provides updates, patches, general maintenance releases and selected functionality releases, along with telephone support. Service is provided through Oracle’s web-based customer support system, MetaLink. To obtain access to MetaLink, customers must be current on their technical support and agree to the terms of use posted on the MetaLink Web site. Customers who are not current on technical support may reinstate support in accordance with the Oracle technical support policies in effect at the time of the reinstatement.

Telephone support consists of 24x7 technical assistance, assistance with non-technical problems during normal business hours, and the ability to log Service Requests (SRs) through Metalink.

Software Update License & Support is priced as a percentage of the license fees, and is invoiced annually in advance. When customers acquire Oracle technical support, all licenses in any given license set must be supported under the same technical support service level. If a subset of users or programs in a license set is subsequently desupported, the desupported licenses must be terminated. For further details regarding license sets, please refer to our Technical Support Policies.

Existing Customers on MetaLink Support
Oracle no longer offers OracleBRONZE or OracleSILVER technical support services. If you are an existing customer who has BRONZE or SILVER support, you will automatically be migrated to Software Update License & Support when you renew your existing support contract.

Existing Customers on Software Updates and Product Support
Oracle no longer offers Software Updates and Product Support. If you are an existing customer who has Software Updates and Product Support, you will automatically be migrated to Software Update License & Support when you renew your existing support contract.
Desupporting Products
If Oracle desupports a specific version of a product, Oracle Support Services will notify supported customers of the change in the status of the product. As a general rule, customers are notified of the status change at least 12 months prior to the desupport date; the notification provides specific timelines for each desupported product. The 12–month notice period allows customers to migrate to newer versions of the product, or to a replacement product. In addition to being mailed or e–mailed to supported customers, desupport notifications and any modifications to them are posted on MetaLink under “Product Lifecycle – Desupport Notices.”

The fact Oracle desupports a product does not mean that you lose your right to continue to use it. Although Oracle will no longer provide technical support assistance or updates for the desupported product, your license grant continues under the terms of your license agreement. However, migrating to a supported version of the product (via a Supported Product Migration) is to your advantage. Product updates and technical support services enhance your successful use of Oracle’s software products, maximizing the value of your investment.

Extended Services
For those customers who are unable to migrate to newer versions or replacement products during the desupport notification period, Oracle may be able to provide limited continued technical assistance under one of two options.

Extended Support (ES) allows customers with critical business needs to migrate to supported products over an extended period of time. To be eligible for ES, you must be supported under a fully paid, up–to–date Software Update License & Support or Incident Server Support Package agreement. ES support is provided under your existing Software Update License & Support or Incident Server Support Package contract, which must be kept up–to–date by the payment of renewal fees throughout the period during which you want to remain on ES.

Under ES, Oracle does not provide error correction support (bug fixes), but does provide known workarounds and existing fixes, migration paths to fully supported products, and responses to customer questions. Not every product is eligible for ES. Eligible products enter the ES phase at the end of the desupport notification period and remain there for a maximum of three years.
If available, Extended Maintenance Support (EMS) provides customers with all the services provided under ES plus error correction support (bug fixes) after the desupport notification period ends. EMS is appropriate for customers who are using desupported products to operate mission critical systems that have a low tolerance for software errors. The offering of EMS is reviewed on a case–by–case basis, is for additional fees, and is offered solely at Oracle's discretion.

Under EMS, Oracle provides error corrections for new problems and backports. If it is offered, it is available only for the terminal release (the last full release of a version) of Oracle products, and only on limited platforms. EMS is provided for no more than 24 months, to allow customers additional time to migrate to a fully supported product.

**Oracle Consulting**

From initial strategic planning to rapid implementations and upgrades, Oracle Consulting's goal is to ensure that your company succeeds with its investment in Oracle technology.

**Overview**

---

**International Business Rates (IBR)**

**Fixed Scope Offerings**

**Resellable Assets**

**Overview**

Oracle consultants help fit Oracle technology to your business processes and problems. From initial strategic planning to rapid implementation and upgrade, Oracle offers an end–to–end consulting solution. To help you maximize your Oracle investment, Oracle Consulting works hand–in–hand with Oracle Development. Oracle consultants combine multiple delivery vehicles—including onsite, onshore, near shore, and offshore—to create the appropriate plan for each phase of your project and achieve fast, cost–effective deployment of Oracle products.
International Business Rates (IBR)
Because the cost of labor can vary substantially around the world, Oracle utilizes the International Business Rates (IBRs) to price consulting services in all countries where Oracle Consulting operates. The International Business Rates have been developed to allow Oracle Consulting to:
- Price resources on a consistent basis
- Comply with certain pricing regulations of the European Union
- Maintain a common economic model in all practices throughout the world

The International Business Rate for a resource from a given country is calculated based on multiplying a country’s global pricing index value (IBR index) by the Global Rate for the consultant’s level (in USD) and then by the country’s exchange rate. It is important to note that the price is determined by where the Oracle consultant comes from, not where he delivers the service.

Fixed Scope Offerings
Oracle Consulting offers fixed scope, rapid-time implementations and uses internet-based technologies to deliver services quickly, conveniently, and at lower cost. Based on a predefined set of proven business practices, Oracle’s fixed scope offerings are designed to deliver critical e-business processes and reduce the complexity, time, and cost associated with large-scale implementations—while delivering global functionality and availability. Oracle Consulting can help you simplify and standardize your business on leading business flows in as little as 30 days.

Oracle Consulting currently offers fixed scope services in the following areas:
- Technology Architecture
- Technology Accelerator
- Technology Migration
- Marketing
- Sales
- Service
- Supply Chain Management
- Procurement
- Manufacturing
- Projects
- Human Resources
- Financials
- Business Intelligence
Resellable Assets
Oracle Consulting offers a comprehensive set of intellectual capital known as resellable assets that provide distinct, independent customer value and have high market demand. Resellable assets generally cost less than custom-build solutions and offer a shorter implementation time frame.

Resellable assets are licensed and supported on a Time and Materials (T&M) basis under Oracle’s standard consulting agreements. If resellable assets do not fully solve your business issue, you may purchase additional consulting services on a T&M basis for customizations, interfaces, enhancements, and so on.

Oracle University
Oracle University provides a training curriculum that benefits both customers working to accelerate the adoption of a new technology and individuals seeking to enhance their Oracle–related technical skills.

Overview
InClass Training
Online Training
Self Study Training
Oracle Certification Program (OCP)

Overview
Oracle University provides training on Oracle software. Courses are created by Oracle Curriculum Developers and taught by instructors with real–world, hands–on experience. Training with Oracle helps accelerate the adoption of your new technology solution, optimizing your return on investment. For the individual student, Oracle offers Self Study Training and the Oracle Certification Program. Oracle University offers courses for many skill levels, using a variety of learning methods such as, inclass, online and self study education to meet time and budget needs.
InClass Training

InClass training is traditional instructor-led, classroom-based education. It can be combined with Web-based and text-based materials as a package. InClass Training is priced at USD 500/day.

Oracle also offers private training in class events. If you have multiple people who require the same training, private training events offer a shared learning environment that encourages collaboration. These type of events can be offered at your site or at an Oracle Education Center.

Online Training

Oracle offers online learning service that fits your lifestyle -- with courses offered 24/7. You can choose from:

- Oracle University Online Library Annual Membership (USD 280 per Year)
- Oracle University Premium Online Library (USD 500 per 180 Days) – available in Japan and Korea only.
- Oracle University Online Course (USD 75 per 180 Days)

Instructor-Led Online (USD 250 per ILT day). You may arrange to have a private Instructor-Led Online session for your specific needs. Private Instructor-Led Online training is best if you have multiple people who require the same training, as this type of training offers a shared learning environment that encourages collaboration. These types of events can be offered at your site or at an Oracle Education Center.

Oracle has taken online training to new levels with first rate content and the technological infrastructure that delivers this content in the most efficient manner.

Self Study Training

For self-paced training, Oracle University offers Self-Study Courses. Our collection of titles provides complete coverage on Oracle products as well as related IT topics. Many titles cover exactly the same content as our Instructor-Led courses, while others expand on general and special topics. Comprehensive, engaging lessons are delivered via CD-ROM, using the latest multimedia technology, including graphics, screen shots and real-time exercises. Self-Study Courses are priced starting at USD 120 for a single named user perpetual license.
Welcome

Contents

Index

Oracle Certification Program (OCP)
Getting certified with Oracle can bring the credibility you deserve for your knowledge, skill, and experience on the job as an Oracle Professional and will provide you with a market–recognized credential. There are three levels of certification.

- Oracle Certified Associate (OCA) (one or more exams priced at USD 90 or USD 125).
- Oracle Certified Professional (OCP) (one or more exams priced at USD 125).
- Oracle Certified Master (OCM) (2 day practicum priced at USD 1,000 per day).

Oracle On Demand
Oracle offers complete application, database, and hardware management services, which can help lower your IT maintenance costs and decrease your support resolution time.

Overview
Administration Services
Computer and Administration Services
Shared Services
On Demand Services for Programs That You Already Own

Overview
Oracle Technology On Demand delivers the Oracle9i Database and Oracle9i Application Server as outsourced services. You are responsible for managing your customer and third–party applications while Oracle manages the rest. This service also offers management of e–mail, portal, and wireless components.

Oracle E-Business Suite On Demand provides an integrated and complete set of e–business applications delivered as an outsourced service. Oracle experts host, administer, and maintain your Oracle software so you can focus on your business.
Administration Services
Administration Services are system administration, application technology management and monitoring activities provided remotely by Oracle for licensed Oracle programs. Oracle will provide Administration Services for Oracle technology products as well as the complete set of E-Business Suite applications subject to your agreement to the Administration Services Ordering Document and to the Administration Services Policies.

Administration Services are priced based on a per unit flat fee and are listed on the On Demand Price List. For most products under Technology On Demand and E-Business Suite On Demand, the list price for Administration Services is 3% of the list perpetual license fees per month. On Demand services are contracted on yearly terms; the billing is annual in advance. Customers must meet the minimum annual net fees for Administration Services of USD 48,000 and minimum monthly net fees of USD 4,000.

Computer and Administration Services
Computer and Administration Services are system administration, application technology management, and monitoring activities for licensed Oracle programs that are provided by Oracle from a data center hosting facility to which the customer has remote applications access. Oracle will provide Computer and Administration Services subject to your agreement to the Computer and Administration Services Ordering Document and to the Computer and Administration Services Policies.

Computer and Administration Services are priced based on a per unit flat fee and are listed on the On Demand Price List. For most products under Technology On Demand and E-Business Suite On Demand, the list price for Computer and Administration Services is 5% of the list perpetual license fees per month. On Demand services are contracted on yearly terms; the billing is annual in advance. Customer must meet the minimum annual net fees for Computer and Administration Services of USD 72,000 and minimum monthly net fees of USD 6,000.
Shared Services
Shared Services are system administration, application technology management, and monitoring activities for specified Oracle E-Business Suite applications, as provided by Oracle and presented to customers from within the related Website (e.g. https://Sourcing.Oracle.com, https://SupplyChain.Oracle.com, or https://Exchange.Oracle.com) to which they have general internet access. The same application instance and Website is shared by multiple customers.

Shared Services are priced as a percentage of license fees. For E-Business Suite On Demand, the list price for Shared Services is 1% of the list perpetual license fees per month. On Demand services are contracted on yearly terms; the billing is annual in advance. Customer must meet the minimum annual net fees for Shared Services of USD 24,000 and minimum monthly net fees of USD 2,000.

On Demand Services for Programs That You Already Own
If you wish to purchase Administration Services or Computer and Administration Services for Oracle technology products or E-Business Suite applications that you have already purchased, you have two options:

- Leave your existing licenses as they are. The On Demand fees will be based on the current list license price of your configuration. If one or more of the products and/or licensing metrics in your licensed configuration are not included in Oracle’s current price list when you acquire the On Demand services, then the On Demand fees will be based on the most recently published Oracle price list that contained both the product name and licensing metric as specified in your configuration.

- Migrate your existing licenses in accordance with Oracle’s standard license migration and upgrade policies. The On Demand fees will be based on the current list license price of the migrated configuration.
Leveraging Your Oracle Investment

Overview
Oracle’s licensing and pricing models are designed to reflect the value the end user receives from using our software and services. Accordingly, as technology evolves over time, our licensing and pricing models will, too. Oracle makes every effort to minimize the impact of changing licensing and pricing models on its existing customers.

In many cases, however, it will be advantageous for you to migrate to new products and licensing and pricing models. Business models change over time as different processes and functions can be automated using new technologies. Hardware configurations change to maximize new technological efficiencies. Accordingly, software also needs to be kept up-to-date. The business needs you are supporting with your existing software licenses may be different from when you originally purchased the licenses. You may need new products or different licenses.

To facilitate the process of keeping your software licenses aligned with your business needs, Oracle has created standard Migration and Upgrade Policies. These policies can seem very complex when viewed from the perspective of a single customer, but they are designed to accommodate the different types of licenses Oracle has offered over its entire corporate history. Not every aspect of these policies will apply to every customer. The purpose of this section of this Software Investment Guide is to provide you with a high level understanding of the basic components of Oracle’s Migration and Upgrade Policies.
Types of Migrations
Software may be updated in three different ways: (i) a supported product migration, (ii) a license migration, or (iii) a license upgrade. Depending on your current configuration and how your business needs have evolved, you may require any combination of the three to bring your licenses up to date.

Supported Product Migrations
Supported product migrations are made available through Oracle's Technical Support organization and allow customers with Software Updates License & Support to stay current on Oracle's latest technology. In a supported product migration, the customer receives an Update to an older product as described in Oracle's Technical Support Policies.

In some cases, use of the Update will be limited to functionality included in the older product, unless the customer simultaneously undertakes a license migration with the supported product migration. As a supported customer, when you request a product Update, you will want to consult the Supported Product Migration list to determine how to use the Update appropriately. If the Supported Product Migration list does not specify any limitations on the Update, then supported customers who receive the Update are entitled to use its full functionality.

Also, please note that to facilitate shipping and minimize the number of CDs a customer has to track and manage, Oracle combines many different software products on a single CD. The CD you receive as an Update in a Supported Product Migration may include software or functionality you are not licensed to use. Receipt of the CD does not constitute authorization to use the unlicensed software or functionality.

Importantly, the exercise of a supported migration does not result in a relicensing of the programs, or change your license rights. It does not require modifications to your license agreement or your ordering document, or result in new license or support fees.
License Migrations
License migrations enable customers to modify their existing software licenses to benefit from Oracle’s current licensing metrics, which best reflect the current state of technology, software use, and hardware configurations. Over time, Oracle’s licensing models have become less restrictive. For example, ten years ago, our licenses were restricted to use on a single computer of a specified platform. To move the licenses to a different platform, or to use them on more than one computer, required additional license fees. Today, with a few exceptions, an Oracle license allows you to freely move your software from platform to platform and to run it in a networked environment.

Oracle has created standard rules for license migrations that apply to all licenses purchased prior to June 15, 2001. (Licenses purchased on or after June 15, 2001 may not be migrated. However, they may be upgraded as described below.) Depending on the product and licenses involved, the migration may be handled using a standard ratio (e.g., 1 Concurrent Devices = 2 Named User Plus) or on a net–net basis. In a net–net migration, the customer receives a credit for the net license fees paid for the original licenses that may be applied against the net license fees due for the migrated licenses. In both cases, support is calculated based the customer’s existing support configuration and the current price of support for the migrated licenses.

License migrations result in new licenses, a new ordering document (called the Migration Ordering Document), and may require the payment of additional license and technical support fees. The new fees reflect the additional value received from the new licenses and support.

License Upgrade
A license upgrade involves the replacement of a more restrictive license with a less restrictive one. Some Oracle customers may have Deployment, Application Specific, Web-Specific, or other limited licenses for various Oracle programs. These licenses can be upgraded to more robust Full Use licenses under Oracle’s standard Upgrade policies. Likewise, customers may upgrade from more limited to less limited products within certain limited product sets. For example, a customer might upgrade from Oracle 9i Standard Edition to Oracle 9i Enterprise Edition, Oracle 9i Standard Edition One to Oracle 9i Standard Edition or Oracle 9i Enterprise Edition, or from applications licensed on a component basis to the Oracle E-Business Suite.
Oracle has created standard rules for license upgrades. Depending on the products and licenses involved, the upgrade may be priced based on the difference in the current list prices for the old and upgraded licenses, or on a net-net basis. In a net-net upgrade of licenses originally purchased from Oracle, the customer receives a credit for the net license fees paid for the original licenses being upgraded that may be applied against the net license fees due for the upgraded licenses. In addition, for some products an additional upgrade fee may be charged. In all cases, support is calculated based on the customer’s existing support configuration and the current price of support for the upgraded licenses.

License upgrades result in new licenses, a new ordering document (called the Migration Ordering Document), and will require the payment of additional license and technical support fees. The additional fees reflect the additional functionality acquired through the license and support upgrade.
Need More Help?

Oracle Corporation (Nasdaq: ORCL) is the world’s largest enterprise software company, providing enterprise software to the world’s largest and most successful businesses. With annual revenues of more than USD 9.7 billion, the company offers its database, tools and application products, along with related consulting, outsourcing, education, and support services. Headquartered in Redwood Shores, California, Oracle is the first software company to develop and deploy 100 percent internet–enabled enterprise software across its entire product line: database, server, enterprise business applications, application development, and decision support tools.

This Software Investment Guide was designed with you, our customers, in mind. If this Guide has not answered your pricing and licensing related questions, please contact us at PricingInquiry@oracle.com and we will assist you.

Want to reach a specific group at Oracle? Feel free to contact us by calling one of the numbers listed below. Or click on the appropriate department to send an e–mail or to visit their site.

Products
- **U.S. Sales**: Product Information and Literature / 1–800–ORACLE–1
- **Oracle Store**: Online Sales
- **U.S. Documentation Sales**: 1–800–252–0303
- **Trial CDs**: Limited Product Set / 1–800–633–0586
- **Oracle Technology Network**: Contact information

Services
- **Support Sales**: 1–800–833–3536
- **U.S. World Wide Support**: Supported Customers / 1–719–635–8900
- **Oracle University/Oracle Certified Professional Program**: Oracle University Regional Contacts
- **Oracle Consulting**: 1–888–283–0591
- **Oracle OnDemand**: Technology and E–Business Suite OnDemand
This document provides guidelines regarding Oracle's policies in effect as of March 16, 2006, and contains no express or implied warranties or representations that should be relied on by customers. Customers with questions should consult with their own legal counsel regarding any license or other agreement entered into with Oracle.

Worldwide Sales
- Asia Pacific (Singapore) : +65.333.8816
- Europe (Switzerland) : +41.22.799.9900
- Middle East (Dubai) : +971.4.390.9000
- Africa (Toll Free) : +1850 ORACLE

Worldwide Support
- Canada : +1.800.668.8921 or +1.905.890.6690
- Latin America : 877–767–2253 via AT&T Direct conectar
- Asia Pacific : +61.132.370
- Europe, Middle East, Africa : +44.870.4000.900

Welcome | Contents | Index

This document is for educational purposes only and provides guidelines regarding Oracle's policies in effect as of July 18, 2005. It may not be incorporated into any contract and does not constitute a contract or a commitment to any specific terms. Policies and this document are subject to change without notice. This document may not be reproduced in any manner without the express written permission of Oracle Corporation. © 2002, 2003 Oracle Corporation. All Rights Reserved.
This document is for educational purposes only and provides guidelines regarding Oracle's policies in effect as of March 16, 2006. It may not be incorporated into any contract and does not constitute a contract or a commitment to any specific terms. Policies and this document are subject to change without notice. This document may not be reproduced in any manner without the express written permission of Oracle Corporation. © 2002, 2003 Oracle Corporation. All Rights Reserved.
This document is for educational purposes only and provides guidelines regarding Oracle's policies in effect as of March 16, 2006. It may not be incorporated into any contract and does not constitute a contract or a commitment to any specific terms. Policies and this document are subject to change without notice. This document may not be reproduced in any manner without the express written permission of Oracle Corporation. © 2002, 2003 Oracle Corporation. All Rights Reserved.