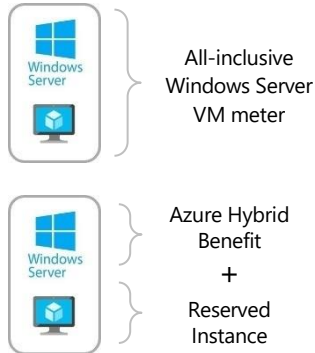


Licensing Windows Server in Azure

Customer options for Windows Server virtual machines

- Customers with short-term or variable workloads are likely to pay for a Windows Server virtual machine on an all-inclusive meter
- Customers with longer-term or predictable workloads are likely to use a Reserved Instance to pay for the base compute component, and to utilize the Azure Hybrid Benefit to license the Windows Server component



Reserved Instances

Overview

A way of purchasing Azure base compute with a great price and flexibility by making a commitment to a 1 or 3-year term, a type of virtual machine (D4v3, for example), and an Azure data center (US East, for example)

- Payment may be made either upfront or monthly for the 1 or 3-year term
- Reserved Instances may be assigned to a single or all Azure Subscriptions, or to a Resource Group

Making changes to Reserved Instances

Reassign: Reserved Instances may be reassigned at any time to a different Azure Subscription or to all Azure Subscriptions, or to a different Resource Group

Exchange: Reserved Instances may be exchanged for another RI of any type and in any data center. The unused duration of the original RI is pro-rated, and credit is applied to a new 1 or 3-year term RI



Cancel: Reserved Instances may be cancelled at any time, and refunds are prorated. No cancellation fee is currently charged, but the sum total of canceled Reservation commitment must not exceed \$50,000 in a 12-month period for a single customer

Using Reserved Instances

- When a Reserved Instance is purchased, it immediately looks for a matching virtual machine. If a match is found, the compute charges on that virtual machine are stopped
- Instance size flexibility options mean that a Reserved Instance can apply to other virtual machines in the same virtual machine family using a ratio table. For example, a D16_v3 RI has a ratio value of 8 and could be applied to two D8_v3 virtual machines which both have ratios of 4. This process works dynamically on running virtual machines in the same data center

Azure Hybrid Benefit

Overview

The Azure Hybrid Benefit allows customers to assign existing Windows Server licenses to either on-premises or Azure virtual machines.

Eligibility

- Customers with Windows Server Standard or Datacenter Core licenses with active Software Assurance acquired through a Volume Licensing agreement
- Customers with Server Subscriptions for Windows Server Standard acquired through CSP

Using Windows Server licenses

- A minimum of 8 Core licenses must be assigned to an Azure virtual machine, and further groups of 8 Core licenses may be assigned to larger virtual machines
- For example, a 2-core virtual machine would require 8 Core licenses, and a 16-core virtual machine would require $2 \times 8 = 16$ Core licenses

Windows Server licenses are not automatically assigned to Windows Server virtual machines. Licenses are manually allocated by enabling the Azure Hybrid Benefit at any time for new or existing virtual machines, which immediately stops the charges for Windows Server.

Dual use rights

- Windows Server Datacenter Core licenses may be applied to both on-premises virtual machines and ones running in Azure
- Other licenses may only be applied to both environments to support customers migrating existing workloads to Azure for a period of up to 180 days