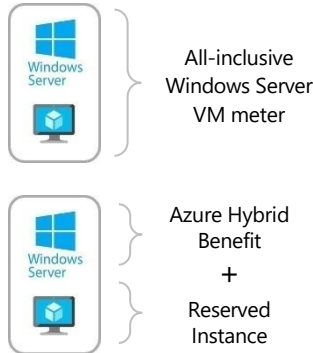


# Licensing Azure virtual machines in CSP

## 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 the best 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)

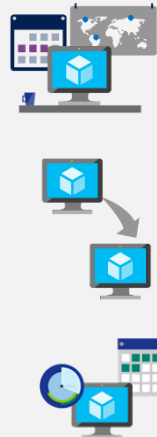
- Payment may be made either upfront or monthly for the 1 or 3-year term
- Reserved Instances may be assigned to a single or all Azure Subscriptions, or to a Resource Group

### Reserved Instance flexibility

**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

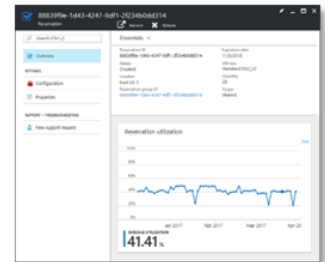
**Exchange:** Reserved Instances may be exchanged for another RI of any type and in any data center. The unused duration of the original RI is pro-rated, and credit is applied to a new 1 or 3-year term RI

**Cancel:** Reserved Instances may be cancelled at any time, and refunds are prorated. No cancellation fee is currently charged



### 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.
- Reserved Instance utilization may be checked using the Azure Management Portal



## Windows Server Subscriptions Overview

Windows Server Subscriptions are subscription licenses for Windows Server which include the Azure Hybrid Benefit, enabling customers to assign these licenses to either on-premises or Azure virtual machines. Server Subscriptions are only available through CSP.



### Terms

- 1 or 3-year subscriptions
- Upfront payment

Windows Server Subscriptions 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.

### Using Windows Server Subscriptions

Windows Server Standard Core licenses are sold in 8-packs.

- A minimum of 16 Core licenses must be assigned to Azure
- A minimum of 8 Core licenses must be assigned to each Azure virtual machine, and further packs of 8 Core licenses are assigned to larger virtual machines
- For example, a 2-core virtual machine would require 1 x 8-pack, and a 16-core virtual machine would require 2 x 8-packs