Additional Terms For Microsoft Licensing & Partner Funding

1. Introduction

- 1.1. **Nasstar** is either **GCI Network Solutions Limited** or one of its affiliates, as party to the contract with the Customer (**Contract**).
- 1.2. As a Microsoft Partner, Nasstar provides a range of products and managed services which are subject to terms set out by the Microsoft Corporation (Microsoft). Nasstar is required to flow down certain provisions from its terms with Microsoft as specified in these Additional Terms for Microsoft Licensing and Partner Funding (the LPF). The LPF and any terms referred to herein may be amended, updated, or replaced by Nasstar from time to time to reflect changes required by Microsoft. The Customer hereby authorises Nasstar to enter any such terms and conditions for and on behalf of the Customer, including by accepting any clickwrap terms and conditions, notices, or acknowledgments on the Customer's behalf, whether in the name of the Customer or in Nasstar's name (acting as disclosed or undisclosed agent on behalf of the Customer as principal).
- 1.3. The LPF shall be incorporated into the Contract where Nasstar supplies products / services developed and marketed by Microsoft (Microsoft Products). In the event of conflict or inconsistency between the Contract, any document referenced therein, and the LPF, the latter shall take precedence. The LPF only applies to Microsoft Products and no other products or services under the Contract, including any work required on solution design, solution delivery or other professional services.
- 1.4. Except where the context otherwise requires, defined terms in the LPF shall be interpreted in accordance with the other provisions of the Contract.

2. Microsoft Product Terms

- 2.1. The Customer agrees that the following terms shall apply in relation to the provision of all Microsoft Products as set out at https://www.nasstar.com/microsoft-terms-and-conditions (Microsoft Terms and Conditions). The Customer confirms that it has read and accepts the Microsoft Terms and Conditions.
- 2.2. The Customer acknowledges that warranties in relation to the Microsoft Products (whether provided within the service or sold as a stand-alone product) are limited to those detailed in the Microsoft Terms and Conditions.

3. Microsoft Cloud Solutions Provider (CSP) Terms

- 3.1. Unless otherwise specified in the Contract, where the Microsoft Products are to be hosted in a cloud solution provided by Microsoft (**CSP Products**), the following provisions shall apply:
 - 3.1.1. Microsoft requires Nasstar to ensure that the Customer agrees to be bound by the Microsoft Customer Agreement set out at https://www.microsoft.com/licensing/docs/customeragreement. By placing an order with Nasstar, the Customer confirms that it has read and accepts the Microsoft Customer Agreement and further agrees to Nasstar advising Microsoft of such acceptance.
 - 3.1.2. The Customer acknowledges and agrees that the Microsoft Customer Agreement is a legally enforceable agreement between Microsoft and the Customer.

4. Microsoft's New Commerce Experience (NCE) for seat-based licensing in CSP

Microsoft introduced its New Commerce Experience (NCE) order, provision and billing



platform for seat-based licensing in CSP in March 2022. Since then, an increasing number of seat-based licences (including Microsoft 365, Microsoft 365 Secure, Dynamics 365, Power Platform, Windows 365, Power Bi, Intune and EM+S licence subscriptions) can only be purchased via NCE.

Term

- 4.1. Licence subscriptions purchased via NCE are available in either annual subscriptions or monthly term subscriptions. Monthly subscriptions in NCE are billed at a higher price than annual subscriptions.
- 4.2. Unless the Customer notifies Nasstar that it does not wish its subscription to renew, the Customer's subscription will automatically renew at the end of each term monthly if the Customer subscribes on a month-to-month basis or for a further 12 months if the Customer subscribes on an annual basis.
- 4.3. Nasstar will try to notify the Customer prior to the renewal of its annual subscription(s).

Cancellation

Annual subscriptions

- 4.4. If the Customer purchases an annual NCE subscription, it may only cancel this within the first 5 days after the order is placed or renewed (Cancellation Period). After that time, the subscription cannot be cancelled and payment for the remainder of the term must be made by the Customer.
- 4.5. If the Customer cancels an annual NCE subscription before expiry of the annual term, Nasstar shall be entitled to invoice the Customer for the remaining Charges which would have been due for the annual subscription until the end of the annual term which shall become due immediately on delivery of invoice. Where the Customer has paid the annual subscription fee in advance, the Customer will only be eligible for a pro rata refund where it cancels the subscription within the Cancellation Period.
- 4.6. Customers cannot switch from an annual subscription to a monthly subscription outside of the Cancellation Period (the Customer must cancel the annual subscription in the Cancellation Period and then place a new order for the monthly commitment offer).
- 4.7. Customers cannot move subscriptions from Nasstar to a new partner. Customers can cancel their subscriptions, but they will be liable to pay the Charges due until the end of their committed term, as stated above. Should customers wish to move their subscription, it may therefore be advisable to wait until renewal time and give instructions not to renew their subscription with Nasstar and then purchase the same subscription from a new partner.

Monthly subscriptions

- 4.8. The Customer may cancel a monthly NCE subscription at any time without incurring additional payments for the remainder of the annual term.
- 4.9. Monthly term subscriptions are subject to price increases month to month.

Changes to licence numbers

Annual subscriptions

- 4.10. The number of licenses on an annual NCE subscription can be increased at any time. Billing adjustments appear on the next invoice. If you make additions during the annual term, these changes cannot be reversed until renewal.
- 4.11. The number of licences on an annual NCE subscription can only be decreased within the first 5 days of when the seats were added to the subscription (whether on initial purchase, renewal or mid-term). Once this time has elapsed, Customers cannot reduce the seat count during the term, and only additions are allowed in that period.

Monthly subscriptions

4.12. For monthly term subscriptions, the seat count can be increased or decreased at any time (with decreases taking effect the following month).



Microsoft Customer Agreement

4.13. Customers will continue to accept the Microsoft Customer Agreement that governs their purchases from Nasstar. A copy is available on https://www.microsoft.com/licensing/docs/customeragreement.

5. Microsoft Service Provider Licensing (SPLA) Terms

- 5.1. Unless otherwise specified in the Contract, where the Microsoft Products are not hosted in a cloud solution provided by Microsoft (**SPLA Products**), the following provisions shall apply:
 - 5.1.1. The services provided by Nasstar (Services) and the SPLA Products may include access to Microsoft software licensed Nasstar under Microsoft's Services Provider License Agreement (SPLA). Customer acknowledges that all rights to use Microsoft software are granted solely through Nasstar as part of the hosted services and that no ownership or independent licensing rights are conferred.
 - 5.1.2. By placing an order with Nasstar, the Customer agrees to comply with Microsoft's required End User Licence Terms as amended from time to time and as incorporated by reference herein. These terms include, without limitation:
 - No right to install, copy, access, or use Microsoft software except through the Services.
 - No right to sublicense, assign, or transfer any use of Microsoft software.
 - Use of the software solely in accordance with applicable Services Provider Use Rights (SPUR). The SPUR specifies use rights and conditions that apply to an end user's use of the products licensed under the SPLA. Microsoft can revise the SPUR at any time to add enhancements or to add new product versions. The SPUR is updated monthly and can be found at <u>Licensing Documents</u>.
 - Acknowledgment that Microsoft makes no warranties and disclaims all liability in relation to the Services or the SPLA Products.

5.1.3. The Customer also agrees:

- To provide Nasstar with accurate and timely information required to measure and report license usage, including but not limited to user counts, processor usage, or other consumption metrics as requested.
- To not exceed the agreed usage limits without prior written consent.
- To retain and provide evidence of compliance with any usage-related obligations upon reasonable request.
- That Nasstar (or a designated third party under confidentiality) may audit Customer's
 usage of the Services solely for the purpose of verifying compliance with the licensing
 terms above. Such audits will be conducted with reasonable notice and during
 standard business hours.
- 5.1.4. If Nasstar determines or reasonably suspects that actual usage exceeds reported or provisioned levels, Nasstar reserves the right to:
 - Adjust service fees to reflect actual usage (including backdated charges).
 - Immediately remedy any under-licensing, including the procurement of additional licenses.
 - Suspend or terminate Services for material non-compliance.
- 5.1.5. Microsoft is a third-party beneficiary of this clause and may hold Customer responsible for breaches of its software usage terms, notwithstanding that all licensing obligations are fulfilled through Nasstar.

6. Microsoft End Customer Investment Funds (ECIF)

- 6.1. Where indicated in the Contract, funds under a Microsoft Funding Offer (**Offer**) may be available to the Customer. The Customer accepts responsibility in its entirety for:
 - 6.1.1. obtaining from Microsoft the terms applicable to any Offer;



- 6.1.2. ensuring that the Customer meets the requisite eligibility criteria set forth in the applicable terms;
- 6.1.3. otherwise complying with all criteria set out by Microsoft applicable to any Offer; and
- 6.1.4. entering into any additional contractual arrangement as may specified by Nasstar to facilitate the Offer.
- 6.2. By placing an order with Nasstar, the Customer acknowledges that Nasstar has no influence over the outcome of any application for an Offer that the Customer may choose to make. The decision is made by Microsoft and is final without any right to recourse or appeal.
- 6.3. Release of the funds under an Offer may be dependent upon submission of a Microsoft Proof of Execution (**POE**) executed by the Customer at Microsoft's discretion. The Customer agrees to execute such POE if required by Microsoft upon request by Nasstar.
- 6.4. The Customer agrees that the provision of any Services under the Contract is not dependent upon the successful application to and receipt of funds under the Offer. The Customer remains liable for the full amount due to Nasstar under the Contract, and Nasstar will invoice the Customer for the full amount due regardless of the Funds application outcome.
- 6.5. If Nasstar is unable to meet any Microsoft completion deadline as a direct result of an act, omission or delay caused by the Customer, which results in Nasstar being unable to claim funds under an Offer from Microsoft, then the Customer will remain liable for the full amount due to Nasstar under the Contract, and Nasstar shall invoice the Customer for the full sum specified therein.

