Schedule Document

Azure Hybrid Cloud Service

SCHEDULE DOCUMENT

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This schedule contains additional terms and conditions, service description and service levels applicable to the Azure Hybrid Cloud Service and should be viewed with associated Order Form, Node4's General Terms and Conditions and the Acceptable Use Policy.

1. Overview

The Azure Hybrid Cloud Service is a Node4 hosting platform based on Microsoft Hybrid technologies to integrate the Microsoft Azure Public Cloud with Client dedicated Azure Stack HCI infrastructure hosted in a Node4 Data Centre.

The components of the Azure Hybrid Cloud service are:

Azure Management Portal – Web based portal to the Client's Azure tenancy, which also provides Arc enabled management for several hybrid services.

Azure CSP Subscription - A Node4 provided Azure subscription which acts as the consumption billing entity for provisioned Microsoft services in Azure and on the Azure Stack HCI Cluster. This includes the Azure Stack HCI license component.

Azure Stack HCI Cluster – Hyperconverged nodes presented as 3-node base clusters with facility to extend the cluster to a maximum size of 16.

Azure ExpressRoute – A direct network connection between Node4 and the Microsoft Azure providing low latency, high bandwidth interoperation between "native" Azure and the Azure Hybrid Cloud service.

Managed Service Component – Defined Support Levels SysOps 1, SysOps 2 and SysOps 3 with Level 1 being bundled with the base service.

2. Definitions

Azure Stack HCI means an on-premises instance of hyperconverged nodes operated and owned by Node4 within our own Data Centres and providing a dedicated rental resource model to Clients.

Azure Arc means Microsoft Azure Arc. Azure Arc is a bridge that extends the Azure platform to help you build applications and services across the hybrid solution.

Microsoft Azure Public Cloud means Microsoft service and features identified at https://www.microsoft.com/licensing/docs/customeragreement except where identified as licensed separately.

"Application Licence" means a License for software for an application installed on the Node4 Azure Hybrid Cloud service. Examples of such software include Microsoft SQL or Microsoft Office applications.

"Cluster" means a group of Azure Hybrid Cloud service nodes comprising a minimum of 3 nodes in an (N+1) redundancy configuration and providing the Azure Hybrid Cloud Service .

"Client Responsible Incident" means in the event that a Service Affecting Incident or Non-Service Affecting Incident is identified as being attributable to Client provided equipment, premises, Client power supplies, or the action of the Client, employees or agents of the Client, the Incident shall be deemed the responsibility of the Client. Any downtime shall not be included in Service Availability measurements and does not qualify for service credits, rebates or compensation.

"HCI" means Hyper Converged Infrastructure which is the underlying physical architecture of the Azure Hybrid Cloud Service utilising clusters of nodes providing compute, memory, and storage. The unit of sale for the service is a node.

"Incident" means an unplanned interruption to a service or a reduction in service quality

"License" means a perpetual or user based or other software license as required to be purchased under the terms of a software license agreement from a Third Party Software Vendor.

"License Fees" means a fee or charge from a License or Licenses including OS Licenses, Application Licenses and User-based Licenses.

"License Mobility" means an arrangement whereby Licenses owned by the Client can be deployed/used

within the Services. License Mobility must be permitted under the terms of any applicable License and must specifically permit Client owned Licenses to be deployed on third party hardware (including the Azure Hybrid Cloud Service).

"Microsoft Azure Services" or "Azure VM" means any Microsoft service and features identified at https://docs.microsoft.com/en-us/partner-center/csp-documents-and-learning-resources except where identified as licensed separately.

"Monthly Review Period" means the calendar monthly periods commencing on the 1st of each month during the Term, over which Service performance measurements are calculated, provided that the first Monthly Review Period will commence when the implementation of such Product or Service is completed by Node4 and such Product or Service is available for use by the Client;

"Node" means an individual hyperconverged server participating in the Azure Hybrid Cloud Infrastructure (HCI) stack service.

"Non-Service Affecting Incident" means an Incident or condition which is not a Service Affecting Incident.

"Planned Outage" means in maintaining the service provided, Node4 may with reasonable notice require a temporary outage in service. Wherever possible Node4 will agree the outage with the Client in advance of the required work. Any planned downtime shall not be included in fault or Service Availability measurements.

"Service Affecting Incident" means any failure of a Node4 service, which, in our reasonable opinion causes a loss of a Client's service. In all such cases the service shall be deemed unavailable, and the length of downtime recorded by Node4 from when the Incident is registered by Node4 and a Service Ticket allocated.

"Service Availability" means the time for which a Node4 service is usable, expressed as a percentage of the total time in a given Monthly Review Period. The Node4 service shall be deemed available for the purposes of calculating Service Availability if it is not usable due to an event outside our reasonable

control, a Client Responsible Incident, a Third Party Attributable Incident or is due to a Planned Outage.

"Service Desk" means the single point of entry for all Service Tickets and Service Requests which can be accessed over the phone, by email or via our portal.

"Service Request" means a request for a change or for information

"Service Ticket" means the tickets which are raised in relation to Incident or Service Request

"Software Update" means a minor release of software that typically fixes bugs and increases stability but adds very little new functionality.

"Standard MAC" means a change to one device which can be completed within 30 minutes by a technical support engineer between 7am and 7pm Monday to Friday.

"Third Party Attributable Incident" means in the Incident that a Service Affecting Incident or Non-Service Affecting Incident is identified as being attributable to a third party. Any downtime shall not be included in Service Availability measurements and does not qualify for service credits, rebates or compensation. Node4 will endeavour to resolve and rectify such Third Party Attributable Incidents as soon as possible.

"Third Party Software Vendor" means the owner of software which is either licensed by Node4 or licensed by the Client in both cases for software deployed/used within the Services.

"User-based License" means a License for software sold on a user-by-user basis by the relevant Third Party Software Vendor. Examples of such software include Microsoft Office, Microsoft Office365, Microsoft Visual Studio.

Virtual Machines – operating system instances running on Compute Resource.

3. Specific terms

The following terms and conditions shall apply when Node4 provides Azure Hybrid Cloud Service to the Client.

3.1 Client data

Client shall be liable for all the Client data that Client creates from its use of the Azure Hybrid Cloud Service. Client represents and warrants that Client owns all Client data created within the Azure Hybrid Cloud Service and that the Client has permission from the rightful owner for it use.

Node4 disclaims all liability relating to any Client data with the Azure Hybrid Cloud Service, and for all liability relating to unauthorized use (by other users) of Client data.

3.2 Third parties

Node4 shall not be liable in respect of any contract, agreement or relationship that Client may have with any third party. If a dispute arises between Client and a third party involving Azure Hybrid Cloud Service, Node4 shall provide, at Client's expense, the Client with reasonable information and assistance to the extent that such is not adverse to Node4's interests to Client in the resolution of such dispute.

3.3 Third party software

Client may not and is not licensed to install or use software or technology in any way that would infringe any Third Party Software Vendor's intellectual property, technology or licencing usage rights.

3.4 Software licenses

Where the Products or Services include software, the same is provided on a licensed basis in accordance with the License terms and conditions applicable thereto, which the Client agrees that it will comply with.

Where Node4 are providing the Client with Licences as part of the Service a monitoring agent may be installed in the Client environment for monthly licence consumption and verification.

3.5 Software license audits

Where the relevant software License prescribes, Third Party Software Vendors (or their agents) may have a right to conduct audits on the deployment/usage of their software in the Services, the Client shall support Node4 in compliance with such audits (as prescribed in the software License). If an audit reveals any unlicensed software then the Client shall within 30 days of notice order sufficient software Licences to cover its unlicensed use and

reimburse Node4 any resulting software Licence Fees which are incurred as a consequence. Where the Client is unable or unwilling to comply with a Software License audit request then the Client shall fully indemnify Node4 for all internal costs and charges from Third Party Software Vendor which it incurs as a result.

3.6 License mobility

Where a relevant software License permits License Mobility, the Client agrees that it will have complete responsibility and liability for all licensing matters in connection with such License Mobility and will indemnify Node4 in relation to all unlicensed use of software covered by License Mobility.

The Client agrees that it will comply with all requirements of the Third Party Software Vendor in connection with such Licence Mobility and in particular the documentation and/or the Third Party Software Vendors verification process required for License Mobility. This includes the installation of monitoring agents to analyse licence consumption.

Client will provide Node4 with details of the Licences used within its environment and support Node4 in the conduct of any software License audits as they apply to License Mobility. and will indemnify Node4 in relation to all unlicensed use of software covered by License Mobility.

Where Licence Mobility is used the Client must provide Node4 with confirmation that the relevant Licence Mobility form has been submitted to the Third Party Software Vendor before the setup / implementation of the environment can commence and Node4 must receive confirmation of Licence Mobility from the Third Party Software Vendor before the environment is set live, if this is not received Node4 will provide the Licences and associated charges applied per month until the confirmation is received.

4. Fees

Fees will commence when the implementation of such Product or Service is completed by Node4 and such Product or Service is available for use by the Client. Fees may comprise any or all of the following aspects.

4.1 Consulting Services fees

The Client shall pay Node4 for those Consulting Services specified in the Order Form;

4.2 Rental fees

Rental Fees are invoiced monthly in arrears based on the options taken with any other related services identified on the Order Form.

4.2 License fees

Initial committed License Fees are identified on the Order Form and will be invoiced monthly.

Any increases in licence charges from the Third-Party Software Vendors will be applied the month following the increase.

License Fees are charged for the complete month, any additional Licences consumed will be invoiced the month following identification.

4.3 Azure CSP consumption fees

Client Microsoft Azure usage and billing information will be taken directly from the Clients Azure account as defined in the Azure Foundation Schedule

The fees for Client Microsoft Azure Services service will be based on your actual Azure Services usage multiplied against Microsoft's pay-as-you-go pricing tables and are subject to change on a monthly basis depending on you actual Azure Services monthly usage.

5. Client Responsibilities

In order to deliver the Service, the following areas are the responsibility of the Client:

- the support of individual virtual machines or workloads;
- application availability and support;
- Information Security Controls including the use of complex passwords;
- Any other part of the Client System not detailed on the Order Form.

6. Provision of Services

6.1 Azure Tenancy

Node 4 will provide, and bill for, a new Azure tenancy where Clients of the Azure Hybrid Cloud Service do not already have one.

If a Client has an existing Azure tenancy, Node4 will require access to login credentials to manage the Azure Stack HCI solution. Node4 will add Azure CSP subscriptions to the Clients tenant to facilitate the consumption billing elements of this service.

6.2 Cluster Hardware

Node 4 will provide access to a dedicated cluster of *Azure Stack HCI* nodes as specified on the order form. The cluster, and all nodes within it, is dedicated to the Client during the contract term.

The Azure Stack HCI cluster is configured as N+1 for resilience and maintenance as standard. The Client is required to stay within the resource limits on the cluster to support a failover event, ensuring resource utilisation does not require the spare node to maintain operational availability.

The failover node will take the place of any of the other physical nodes if they fail, but some downtime may occur to virtual machines running on the failed node as they are restarted on the failover node.

Virtual Machines will be created, provisioned, and administered by the Client within this cluster.

The Azure Hybrid Cloud Service cluster required by the Client must be specified on the Order Form, in the form of bundle offerings comprising:

- Base cluster type (general purpose. performance or custom designation)
- Expansion nodes required (general purpose, performance or custom)

The Client may request to add additional expansion nodes up to the maximum size of a cluster and may order additional clusters for an additional charge. The Client may request to lower the amount of nodes within a cluster but this must not violate any prior commitments made on any Order Form.

Ownership of the hardware remains with Node4 at all times.

Virtual machine operating system licenses may be provided via a rental charge delivered though the Microsoft CSP program.

Clients may provide virtual machine operating system licences though a license mobility scheme such as System Assurances or may not require licenses at all if using Open Source products.

6.3   Software licenses

If specified on the Order Form, Node4 will provide Application Licences and User-based Licences for software to be installed and used in Client Virtual Machines on the Service. Application and Users Licences will be subject to change over time from, for example, changes in user numbers and/or as a result of software License audits. Increased License Fees will be invoiced the month following identification.

The Client is responsible for ensuring that their Virtual Machines are appropriately licensed and informing Node4 of any changes that require additional licenses.

Some vendors may require that software used on the Node4 platform must be licensed by Node4. The Client agrees that additional License Fees may be payable for such software deployed on Virtual Machines on the Service.

Node4 reserve the right to change the licenses that are available from time to time and/or the units used to charge for licenses.

6.4   Cyber Crime Protection

The Client is responsible for applying anti-virus / anti-malware software or services and for removing viruses from the operating system. The Client must ensure that anti-virus updates are applied in a timely manner.

Anti-Virus software may not be able to detect and/or remove all threats. If the Client requires that data can be recovered if permanently deleted or damaged by a virus or other threat, then the Client is responsible for taking appropriate measures to protect their data (such as using the Level 2 SysOps service which includes backup).

6.5   On Boarding Service

The on-boarding service will be supplied along with any other Services the Client elects to purchase

under this Schedule Document. Node4 shall provide the on-boarding services through its consulting service, as defined in the Consulting Services Schedule Document.

Unless specified otherwise in an Order Form, in order to provide Services Node4 shall require:

- Access to an Azure Tenant or authority to create one with as a minimum, contributor level access for administration.
- Relevant administrative access to facilitate any build and migration activities.

Node4 will not be responsible for any Service failures caused by Client network or server related issues impacting the ability to access the Supported Services or the Monitoring Host.

Following On-Boarding, if Node4 has identified current issues with the Client Supported Services Node4 will provide the Client with written notice of any identified problems; and a list of recommendations and reasonable timeframe for rectifying such problems and the accompanying quote(s) outlining what Charges apply for carrying out such rectification(s). If the recommendations defined have not been implemented within the specified timeframe, Node4 reserves the right to either:

- amend the scope of the Services and/or amend the Charges; or
- terminate the Order Form (or part thereof) relating to the Services for which such recommendations apply.

6.6   Managed Service - SysOps Level 1

The Azure Managed SysOps Level 1 service contains the following service deliverables:

- Incident Management
- Service Monitoring
- Request Fulfilment
- Access to the Azure Architecture Team
- Platform Maintenance (Azure Stack HCI Only)

6.7   Support

Node4 provides the Services direct to the Client. The Client commits to fully manage all their Clients and suppliers directly. Node4 will not interface directly with any third parties working with the Client.

If the Client requires Node4 to provide their customers with a customer care, network operations or similar service this is available on request and subject to Professional Service Fees.

6.8   Maintenance windows

Where Node4 plans to perform essential maintenance Node4 will endeavour to perform such works during periods of lower usage and will endeavour to give the Client ten (10) days prior notice. In the event of an emergency Change or Service Affecting Incident such notice may be less than 24 hours. This is without prejudice to or limitation of the definition of Planned Outage.

This notice may be provided on N4Status (www.n4status.co.uk) rather than a direct notification. Clients can subscribe to status updates on the N4Status website to receive automated direct notifications. This is without prejudice to or limitation of the definition of Planned Outage.

7.   Service Support

For supported services as part of the Services, the Client has mandatory Azure SysOps Level 1 Support.

The Client can then add the following additional service options:

- SysOps Level 2
- SysOps Level 3
- Managed Backup Service
- Disaster Recovery Services
- Consulting services

The Service Options chosen by the Client shall be stated in the Order Form.

7.1   Service Hours

The following table details the different Support Hours relating to the support level defined on the Order Form

Support Level	Support Hours

Business Hours	Standard business hours support 9am to 5.30pm week days, excluding bank and national holidays
24 x7	Priority 1 and 2 - Support hours 24/7 Priority 3,4 and Service Request - Support hours between 9am and 5.30pm weekdays, excluding bank and national holidays

7.2   Incident Management

Node4 will provide Incident Management across the Azure Hybrid Cloud Service. This service level covers platform level issues and is designed specifically to support when a Microsoft Azure Service (including Azure Stack HCI) fails in the normal course of its function and requires intervention to be restored to working order.

For Azure Stack HCI this includes hardware components such CPU, RAM, disks and physical network cards within the nodes as well as the hypervisor.

Each new Incident will be assigned a priority level by the Service Desk based on the following definitions. These levels allow us to prioritise resources and escalate where appropriate. All service Incident lifecycle information can be viewed and tracked via our ServiceNow portal.

Priority	Description
1 - Critical	A major fault resulting in total loss of service.
2 - High	A major fault resulting in a severe service degradation or loss of service to a significant percentage of users.
3 - Medium	A minor fault resulting in a limited or degraded service or a single end user fault.
4 - Low	General, single user with degraded service, non-service affecting support.
5 - Service Request	Request for a change to an existing service or system, a request for information or simple questionnaire to be completed.

If the Client has a Level 1 or Level 2 issue which requires patch management as a remedial action, this will be covered under the Incident & Event management Service. Clients with a Level 3 issue will require the patch management or consulting service.

7.3 Service Request Fulfilment

The Request fulfilment service module allows our Clients to request service changes to the supported infrastructure only. Upon request, Node4 will work with the Client to implement up to 5 Standard MAC (Moves, Adds or changes) or 150 minutes in total of changes to the platform basics per month.

7.4 Service Monitoring

Node4 will provide platform level monitoring to ensure service availability. For Microsoft Azure Public Cloud, this is limited to Microsoft Service Health Alerts pushed from the vendor. For Azure Stack HCI Node4 will monitor the hardware stack up to the hypervisor layer to ensure Client virtual machines can be powered on and are operating.

7.5 Architecture Support

Our architecture support service provides Clients with access to our engineering team who will provide hands on validation and design guidance for Azure deployments for up to a maximum of 4 hours per month unless stated on the order.

7.6 Platform Maintenance

Node4 will apply software updates and patches to the managed Azure Stack HCI infrastructure monthly which will include any hardware firmware patches which become available from the hardware vendor. Node4 will require sufficient hypervisor and storage capacity to be available in order to perform the patching process.

Node4 will maintain hardware maintenance agreements for the Azure Stack HCI hardware.

7.7 Time to Respond

Node4 shall prioritise all Service Tickets based on its reasonable assessment of the Priority level; and respond to all Service Tickets in accordance with the initial response times specified in the table set out below:

Priority	P1	P2	P3	P4	Service Request

Response / Acknowledgement	30 Mins	1 Hour	2 Hours	4 Hours	12 Hours
Commencement	1 Hour	2 Hours	4 Hours	N/A	N/A
Frequency of Updates	1 Hour	2 Hours	12 hours if Resolve / Target to Fix exceeded		
Resolve / Target to Fix	4 Hours	8 Hours	12 Hours	36 Hours	60 Hours

Resolution times in the table above do not apply where there is a Client Responsible Incident, a Third Party Attributable Incidents or events outside Node4's reasonable control, any incidents including these aspects will be excluded from reporting provided.

Resolution times attributable to an incident within the native Microsoft Azure environment will be dependent on the upstream vendor support contract Node4 holds with Microsoft. The time to respond metrics will then calculated according to the Microsoft case severity and response time matrix shown below.

The Node4 and Microsoft times to response are not aggregated, in the event a service event is escalated to Microsoft, the Node4 service event elapsed time is stopped.

Severity	A	B	C
Response / Acknowledgement	< 1 Hr	< 2 Hours	< 4 Hours

All priority 1 & 2 Incidents should be raised via Service Desk system by a phone call. Should a priority 1 or 2 incident be raised via the portal or e-mail, the Client is required to follow this up with a corresponding phone call to enable work to commence immediately on the issue.

Where further information is requested from the Client by Node4 or the Service Ticket is forwarded to a third party in order to obtain any further information or clarification relating to the Service Ticket, the measurement of the Service Level shall be suspended until Node4 receives sufficient information to investigate the Service Ticket.

8. Service credits

8.1 Azure Stack HCI SLA

Downtime is the total accumulated minutes during a billing month for a given Azure Stack HCI cluster, during which the Service is unavailable. A given minute is considered unavailable if any of the following are true:

- All virtual machines within a running cluster do not have any connectivity to the hypervisor for five consecutive minutes
- None of the Virtual Machines can be started for five consecutive minutes

The following equation will be used to calculate the *cluster resource* availability. References to minutes are to the number of minutes in the applicable Monthly Review Period:

((Total minutes – Total minutes Unavailable)/Total minutes) x 100

Node4 will provide the Client with service credits, as set out below, for the failure to meet the following targets:

Service Availability	Service Credits as % of Monthly Rental Charge – (Azure Stack HCI Service charge only)
< 99.95%	10%
<99.9%	30%

8.2 Calculation of service credits

Where a Monthly Review Period incorporates part of a month, any service credit will apply to a pro-rated monthly Rental Fee.

Service credits will be calculated monthly, aggregated and credited to the Client on a quarterly basis.

If a Service is cancelled during a Monthly Review Period, no service credit will be payable in respect of that circuit for that Monthly Review Period.

The Client must claim any service credit due to a failure to meet the Service Availability targets, in writing, within twenty one (21) Business Days of the date at which the Client could reasonably be expected to become aware of such failure, otherwise no service credits shall be payable. The Client shall not be entitled to any service credits in respect of a claim unless and until Node4 has received notice of the claim in writing in accordance with the above. Should Node4 require additional information from the Client, the Client shall assist, and shall not be entitled to any service credits until Node4 has received all the information it has reasonably requested.

8.3 Exclusions to payment of service credits

Without prejudice to or limitation of the definition of Service Availability, service credits will not be payable by Node4 to the Client in relation to the Service Availability for Incidents or disruptions to the Services caused by any of the following:

- The Incident, action or negligence of the Client, its employees, agents or contractors;
- The Client failing to comply with the provisions of the Agreement;
- Any event described in Clause 11 (Force Majeure) of Node4's Terms and Conditions;
- Any event or failure caused by a Microsoft Azure service outage
- Any Planned Outage.

Service credits are not applicable for more than one breach of any targets outlined in this document arising from the same occurrence.