

MICROSOFT ONLINE SERVICE SCHEDULE

The following additional terms and conditions apply to the provision of the Online Service (the “Agreement”).

1. DEFINITIONS

In this Service Schedule, in addition to those terms defined in the General Conditions, the following terms and expressions apply:

TERM / EXPRESSION	MEANING
“Customer”	means an O2 customer that acquires the Product for use as an end user, and not for distribution or resale.
“Customer Hardware”	means any hardware, tools, equipment and other tangible property and physical IT infrastructure owned or leased by the Customer and used in connection with the Online Service;
“Customer New Releases”	has the meaning given to it in clause 3.3 of this Agreement.
“Customer-perceptible Functionality”	has the meaning given to it in clause 3.3 of this Agreement.
“De-Installation Services”	means the de-provisioning of the Online Service by O2 as agreed in writing between O2 and Customer;
“General Conditions”	means O2’s general terms for business customers as amended from time to time and available to view at www.o2.co.uk/termsandconditions/business/standard-terms-and-conditions-business ;
“Installation Services”	means the provisioning of the Online Services and associated works by O2 as agreed in writing between O2 and the Customer to facilitate the access and use of the Online Service by Customer;
“Licence”	means the licence required to use a Product;
“Software”	means and full version of the software, offered as part of the Product, and in the Microsoft Cloud Agreement;
“Online Service”	means the cloud based service provided by O2 as a Reseller and listed in the Service-Specific Terms section of the Microsoft Cloud Agreement;
“Microsoft Cloud Agreement”	means the terms of use for each Product as amended from time to time and available to view at http://www.o2.co.uk/termsandconditions/business
“Minimum Period”	means the Initial Term (as defined in the Microsoft Cloud Agreement) which shall be a 30 day period from the order date unless the parties agree otherwise;
“Product”	means any Online Service, (including Software);

“Professional Services”	means the professional service packages described in the Commercial Schedule, Order Form or elsewhere in writing by O2
“Reseller”	means Telefonica UK Limited
“Service Levels”	as set out in Appendix 1 of this Agreement
“Subscription”	means the O2 subscription required in order to purchase Licenses for the Online Service For the avoidance of doubt Subscription in the Microsoft Cloud Agreement means Subscription for each individual Product.

2. SERVICE

2.1 The Online Service is a cloud based service available to O2 Customers purchasing other O2 services. The Customer hereby agrees to subscribe for the Services on the terms of this Agreement. This Agreement consist of the terms and conditions below, O2 General Conditions and Microsoft Cloud Agreement. O2 acts as a Reseller and offers Customers the ability to buy some but not all of the Products set out in the Microsoft Cloud Agreement.

2.2 In the event of a failure of the Online Service, and if requested by the Customer, O2 will escalate the issue with Microsoft and provide the Customer with Microsoft’s response.

3. SERVICE STANDARDS

3.1 The Customer acknowledges that there are minimum system requirements for the use of the Online Service and that failure to meet these requirements will result in reduced service capability.

The minimum service requirements can be found at www.o2.co.uk/business/support.

3.2 The Customer acknowledges and agrees that Microsoft may modify a Product, or may release a new version of a Product at any time and for any reason including, but not limited to, to address customer needs or otherwise address competitive demands, to respond to a government regulation, order, law, or to advance innovation in its Product offerings. Microsoft reserves the right to add new features or functionality to, or remove existing features of functionality from, a Product.

3.3 O2 will provide the Customer at least thirty (30) days’ notice prior to Microsoft releasing a new or modified version of a Product that significantly changes existing Customer-perceptibility (such new or modified version, a **“Customer New Release”**) (where **“Customer-perceptible functionality”** means functionality that affects a Customer’s perception of and interaction with a Product). Thereafter, O2 will provide any information the Customer reasonably requests in relation to the Customer New Release, such as it specifications and benefits.

3.4 In case of a new release of a Product enabled by an incompatible change (a change arising within the Online Service that prevent continuity of an existing Product), O2 reserves the right to migrate the Customer to such new releases at any time on or after the release date without further notice to the Customer.

3.5 Subject to the notice requirements in clause 3.3 for Customer New Releases, O2 may provision new users (including additional users under existing Subscriptions) with a modified version or new release of a Product as of the release date for such modified version or new release without notice to

the Customer. In the event O2 is required by regulatory agency, order, or law to make a change to a Product, Microsoft may release such changed Product immediately and without notice to the Customer, even if such change may otherwise be characterised as a Customer New Release.

4. SERVICE ACCESS AND USE

4.1 In order to access and use the Online Service the Customer will need to provision the Customer Hardware from which the Online Services will be accessed and used. The Customer may carry out provisioning itself and on its own account or may, subject to further agreement in writing, engage O2 to provide the Installation Services. Similarly the Customer may engage O2 to provide the De-Installation Services on the termination or expiration of this Agreement.

4.2 Where the Customer engages O2 to provide Installation, or De-Installation Services, those services shall be provided in consideration of the payment by the Customer of the professional charges (which shall apply in addition to Charges for Products) and subject to the terms agreed between the Customer and O2.

4.3 Where the Customer carries out the provisioning of Customer Hardware itself neither O2 nor Microsoft shall be liable for any loss, damage, liability, cost or expense incurred by the Customer whether directly or indirectly in carrying out such provisioning.

5. ORDERING AND DELIVERY OF PRODUCTS

Orders

5.1 O2 will offer the Customer some but not all of the Products listed in the Microsoft Cloud Agreement. O2 reserves the right to remove a Product, at any time including:

- (i) in response to an intellectual property infringement claim against O2 or Microsoft;
- (ii) in accordance with a court or other governmental bodies; or
- (iii) in accordance with clause 10 (Compliance) of this Agreement.

Delivery of Microsoft Office 365

5.2 O2 will provision the Online Services based on information provided by the Customer. The Customer will be responsible for any incorrect information submitted by or on behalf of the Customer in connection with any order for Online Service. Upon receipt and acceptance of a valid order for Online Services, O2 will provision the Online Service, in accordance with the terms of the Microsoft Cloud Agreement, other terms incorporated into this Agreement and the Service Levels as set out in Appendix 1 to this Agreement.

6. ADDITIONAL CHARGES

6.1 In addition to any Charges for the Online Service, the Customer may incur Charges incidental to using the Microsoft Office 365 Service, for example, Charges for Internet access, data roaming, and other data transmission charges. Such Charges will be charged in accordance with the Customer's mobile airtime agreement.

7. TERM AND TERMINATION

7.1 Unless otherwise stated, each Subscription will be subject to a 30 day Minimum Period, or a longer period as may be agreed from time to time between O2 and the Customer.

7.2 The Customer will continue to be charged the monthly Rental Charge until the Customer cancels the Subscription to the Online Service in accordance with clause 7.3.

7.3 Subject to anything to the contrary agreed between the parties, the Customer can choose to cancel the Online Service at any time upon 30 days' written notice. For clarity, the Customer will be charged the monthly Rental Charge during any such notice period in addition to any Termination Fees, if applicable.

7.4 The Subscription to use a Product of the Online Service requires the Customer to connect and maintain a minimum of one (1) Licence for the Minimum Period of the Subscription.

7.5 Subject to clause 7.4, the Customer may add or remove any number of Licences and/or Products during the Minimum Period of the Subscription.

7.6 All Licences will automatically co-terminate at the end of the Minimum Period of the Subscription.

7.7 Suspension

The Customer will continue to accrue Rental Charges for the suspended Subscription until the Subscription is cancelled or enabled again. O2 may suspend a Customer's Subscription for legal, regulatory reasons or as otherwise permitted under this Agreement.

7.7.1 If O2 believes in good faith that the Customer is in breach of the applicable Microsoft Cloud Agreement, any terms incorporated in this Agreement or is otherwise misusing the Product, notwithstanding Clause 13.6 of the General Conditions, O2 may at its sole discretion, immediately stop supplying the Product(s) in respect of such Customer.

7.7.2 Microsoft may disable a Customer's Subscription for legal or regulatory reasons or as otherwise permitted under this Agreement or under any terms incorporated herein.

8. WARRANTIES & REPRESENTATIONS

8.1 O2 shall not be deemed to have made, be bound by or liable for, any representation, warranty or promise made in respect of the Online Service.

8.2 The Customer shall be fully and solely responsible for satisfying itself that the Online Service is fit for the Customers purpose and neither O2 nor Microsoft provide any representations or warranties in this regard.

8.3 Except as set out in this Agreement, and to the fullest extent permitted by applicable law, Microsoft and/or O2 exclude all warranties and any liability by Microsoft and/or O2 (as applicable) or its Affiliates or suppliers for any losses or damages, included but not limited to, direct, indirect, or consequential, arising from the sale or use of the Products even if the party new that they were possible or reasonably foreseeable.

9. SUPPORT

9.1 O2 and not Microsoft or Microsoft's Affiliates or suppliers, will provide Customers with support for the Products. O2 will provide support to Customers for day to day queries which may arise from the use of the Online Service. Note that supporting services may incur a separate charge. For the avoidance of doubt O2 is not responsible for the provision and functionality of the Online Service.

10. COMPLIANCE

10.1 O2 may modify or terminate the Online Service where there is any current or future government requirement or obligation in any country that subjects O2 to any regulation or requirement not generally applicable to business, presents a hardship for O2 to continue operating the Online Service without modification, and/or causes O2 to believe these terms or the Online Service may be in conflict with any such requirement or obligation. For example, O2 may modify or terminate the Online Service in connection with a government requirement that causes Microsoft to be regulated as a telecommunications provider.

11. INTELLECTUAL PROPERTY

11.1 The Customer warrants and represents that it has the necessary rights to all data, software programs and services that it uses in connection with its access to or use of the Online Service and that such activities do not infringe the intellectual property or other proprietary rights of any third party. The Customer agrees to indemnify and hold O2 and Microsoft harmless from and against any and all claims, costs, expenses, damages, liabilities and legal fees that O2 and Microsoft may suffer or incur as a result of any dispute that may arise, in any way whatsoever, in connection with any breach of this Clause.

12. GENERAL

12.1 The Customer agrees that while the provisions contained in this Service Schedule create enforceable legal rights and obligations between the Customer and O2, such rights shall be capable of enforcement by Microsoft and Microsoft Affiliates in their own right in the same manner as if Microsoft and Microsoft Affiliates were party to this Agreement.

12.2 The Customer consents to allow Microsoft to use the information relating to the Customer that Microsoft receives in order to provide the Products and uphold its responsibilities under this Agreement.

APPENDIX 1 - Service Levels

Support will be provided and managed by O2 and any service issues will be prioritised in accordance with table below. These Service Levels are non-binding and represent O2s operational procedures from time to time.

Severity	Initial Response	On-going Communication Goal
Severity 1 Catastrophic	15 minutes	Update the customer every 2 hours
Severity A Critical	1 Hour	Update the customer every 2 hours
Severity B Urgent	2 Hours	Update the customer daily
Severity C Important	4 Hours	Update the customer every 3 days
Severity D Advisory	N/A	As Agreed.
Provision & Activate	48 Hours from a completed order	Welcome Email

Severity	Definition
Severity 1 Catastrophic	Service, System, Network, Server or Critical application down catastrophically impacting production
Severity A Critical	High impact problem in which service, production, operations or development deadlines are severely impacted, or, where there will be a severe impact on production.
Severity B Urgent	Significant problem where the service is functioning but in an impaired manner
Severity C Important	Important issue but does not have significant current service and/or productivity impact for the customer
Severity D Advisory	Used for DCR, feature requests and research activities etc.
Provision and Activate Assistance	Provide assistance to provision, activate and setup an Office 365 account.