

FY16 Cloud PBX Adoption Offer Terms & Conditions

Revised May 23, 2016

This document sets forth details of the FY16 Cloud PBX Adoption Offer ("**Offer**"), including eligibility requirements and the obligations for both Microsoft Corporation ("**Microsoft**") and the participating customer ("**Customer**"). By participating in the Offer, Customer has indicated acceptance of these terms and conditions.

Offer Scope

As detailed below, if Customer meets the eligibility requirements of the Offer, Customer may be eligible to benefit from a deployment investment paid by Microsoft directly to Microsoft Consulting Services or a qualified Silver or Gold Communications Competency Partner ("**Partner**"). Funding is available only in the territories where the features are available.

Offer Terms

Eligible Cloud PBX Funding

The Partner may receive the following funding based on the number of eligible Cloud PBX SKUs the Customer purchases between December 1, 2015 and June 30, 2016 ("**Offer Period**"). There is a minimum purchase requirement of either 50 SKUs or 150 SKUs depending upon purchase date as shown in the below table.

FY16 Cloud PBX Adoption Offer Reference Chart

Effective Dates	Minimum Purchase Required for Offer
December 1, 2015 – January 31, 2016	150 seats
February 1, 2016 – June 30, 2016	50 seats*

**Not valid on purchases prior to February 1, 2016*

Eligible SKUs include Office 365 Enterprise E5, Office 365 Government G5, Cloud PBX standalone SKUs, Skype for Business stand alone Plan 2 with Cloud PBX, E3 step up to E5, E4 step up to E5, Add-on Cloud PBX SKU to E1, Add-on Cloud PBX SKU to E3. Partners may earn:

- \$10,000 for configuration of Cloud PBX and completion of a 50 user deployment
- Additional \$10 per seat up to 5000 SKUs after deploying at least 90% of eligible SKUs, up to \$50,000
- Maximum funding is \$60,000 per customer

Examples:

- Customer purchases 150 SKUs, deploys 49 SKUs only, the partner will not be paid the \$10,000
- Customer purchases 2,000 eligible SKUs, the partner may receive \$10,000 for configuring Cloud PBX and completion of the first 50 user deployment and \$20,000 for 2,000 total SKUs deployed on Cloud PBX for a total of \$30,000.
- Customer purchases 12,000 eligible SKUs, the partner may receive \$10,000 for the configuring Cloud PBX and completion of the first 50 user deployment and only \$50,000 for the per seat funding as the maximum funding allowed is \$60,000.

Funding Uses

The Partner funding is to be used to drive deployment for Cloud PBX and result in the following customer outcomes:

- Deploy Cloud PBX
- Configure of On-Premises PSTN Connectivity
- Configuration of PSTN calling

Deployment Milestones

Before a Partner will be eligible to receive investment funds through this offer, the Partner must satisfy each of the following milestones for Customer deployment to be considered complete, including:

- Customer has an approved Success Plan in the FastTrack Center
- Validation of successful configuration of Cloud PBX with between 50-5000 users deployed utilizing On-Premises PSTN Connectivity and / or PSTN Calling with 90% of eligible SKUs deployed

Microsoft will confirm deployment of every seat, via a script the partner will run in the customer's environment, prior to approving payment to a Partner. Microsoft will reject Partner investment requests where no users have been deployed on Cloud PBX. Microsoft may also verify other metrics, including data migration, Customer feedback, etc. No funds will be paid out until the Partner has completed all required deployment work.

Eligibility Requirements

Customer must purchase at least the minimum number of the eligible Office 365 SKUs during the Offer Period, according to the dates shown in the above table. Customer may satisfy this minimum by aggregating any number of separate transactions that occur during the Offer Period. The funds for which a Partner is eligible will be based on the total number of eligible SKUs the Customer purchases by the end of Offer Period.

- 1) The Offer only applies to deployment of SKUs of the eligible Office 365 SKUs that a Customer purchases during the Offer Period and for which a Partner has completed deployment activities and submitted Microsoft an invoice within 12 months of the initial qualifying purchase or before the end of Customer's current eligible Office 365 agreement term, whichever comes earlier.
- 2) An eligible partner must secure Offer funds in an approved Purchase Order before they may begin to deliver the Adoption services paid for by this Offer. Microsoft Procurement Policy mandates an approved Purchase Order must be in place before any fee-based work is to commence. Per this Offer's controls and compliance rules, no POs will be processed in after-the-fact (ATF) scenarios.

- 3) The amount of Offer funding is calculated based on the number of qualifying SKU purchases made at the Microsoft tenant level, not at the Microsoft Top Parent ID level.
- 4) The potentially qualifying transaction must not involve a Customer that may create a conflict of interest.
- 5) Existing Office 365 customers that purchase eligible SKUs during the Offer time frame will be eligible for this Offer.
- 6) Customers that have received previous Office 365 deployment dollars may be eligible for this Offer.
- 7) Customers that qualify for this Offer may also qualify for the FY16 Office 365 Adoption Offer. Refer to the FY16 Office 365 Adoption Offer Terms and Conditions for more information.
- 8) Office 365 purchases made through Charity programs are not eligible for this Offer.
- 9) Customers taking advantage of "Reserved not yet Billed" or RNYB for Full User Subscription licenses are not eligible for this offer as they are leveraging the transition free float benefit. Customers purchasing add-on SKUs under RNYB are eligible for this offer.
- 10) See additional Compliance Criteria below.

Payment

Partners may invoice Microsoft for \$10,000 of the investment funds of this offer as soon as the initial 50 seat deployment is completed. The Partner may submit the final invoice to Microsoft after deployment of at least 90% of eligible SKUs. All deployment investment funds will be paid by Microsoft directly to the Partner in local currency based on published Microsoft exchange rates and disbursed semi-monthly. For all related payments received from this Offer, the Partner is solely responsible for reporting and paying all applicable taxes (such as value added tax, sales tax, gross receipts tax, or any other tax) that may be required under any applicable laws. Customer should consult a tax advisor with any questions or concerns about the applicable taxes related to this offer and agrees to indemnify and hold Microsoft harmless for any damages arising from Customer's failure to timely pay such taxes.

The deployment investment associated with this Offer may or may not cover the full cost of deployment. If a Partner's cost to perform deployment exceeds the amount of the deployment investment funds associated with this Offer, the Partner may seek to recover from Customer the difference between the Partner's cost and the deployment investment funds it receives from Microsoft. By choosing to participate in the Offer, Customer and Partner acknowledge this and agree to indemnify and hold Microsoft harmless from any claims related to a Partner's cost in excess of deployment investment funds.

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Adjustment to Payments

If a Partner receives an overpayment of deployment investment funds from Microsoft, or if Microsoft finds that payments were made to Partner for deployment that was not completed in full compliance with this Offer, Microsoft may adjust or deduct sums from future payments to the Partner or require that the Partner repay such funds to Microsoft.

Publicity

Customer may be offered to be featured in a written case study and other promotional materials, detailing Customer's selection and use of Microsoft Office 365 technologies; including Company quotes, logos and imagery. Customer's approval to be featured in publicity would be required before any publicity occurs.

Sharing of Information

Customer agrees to share information with Microsoft about forecasts and progress of Deployment upon request.

Voiding of Offer

Any non-compliance with the terms of this Offer will void the Offer. In such circumstances, the Partner will have to refund to Microsoft all deployment investment funds Microsoft has paid to the Partner pursuant to the Offer. Microsoft also reserves the right to pursue all other legal and equitable remedies available under applicable law.

Offer Disputes

For any disputes regarding the Offer or any payments relating to the Offer, Customer must contact Microsoft in writing by e-mailing svcskype@microsoft.com within 30 days of the disputed payment or event. After 30 days, the Offer and all payments relating to the Offer shall be treated in all respects as final.

Indemnity

Customer will at all times indemnify Microsoft against any loss, costs, expenses or liability, whether direct or indirect, arising out of the breach of the terms of this Offer by Customer. This indemnity will survive the expiration or termination of the Offer.

Liability

All deployment assistance services provided under this Offer will be performed by Partners under separate agreement between the Partner and Customer. Although the Partners have been approved by Microsoft to participate in this Offer, the Partners (except for Microsoft Consulting Services (MCS)) are not affiliated with Microsoft and do not have authority to bind or impose any obligation or liability on Microsoft. Except as otherwise set forth in a separate agreement between Microsoft and Customer, to the maximum extent permitted by applicable law, Microsoft will not be liable for any damages arising from the deployment services that may be provided by a Partner in connection with this Offer.

Termination of or Changes to Offer

Microsoft, in its sole discretion, may terminate, modify, or revise the terms of this Offer at any time. Modifications may include, but are not necessarily limited to, the SKUs eligible for the Offer, the amount of deployment investment funds included in the Offer, or the Customer's eligibility for the Offer. Customer may terminate its participation in the Offer at any time by notifying Microsoft in writing. Microsoft will not distribute any deployment investment funds as part of this Offer for qualifying transactions submitted by Customer after termination of Customer's involvement in the Offer.

Applicable Law

The laws of the State of Washington govern the terms of this Offer.

Relationship of the Parties

Neither the terms of this document as a whole nor any specific term or condition relating to the Offer will be interpreted as creating a partnership, joint venture, agency or franchise between Microsoft and Customer.