

## Microsoft Cloud Services Agreement

Client agrees the following terms and conditions are incorporated in the Service Agreement and Managed Service Agreement if the Services include TheCompuLab purchasing licenses from Microsoft for certain applications (which Microsoft refers to as New Commerce Experience or "NCE Licenses") for use by Client. This includes, but is not limited to, licenses for the following applications: Microsoft 365, Office 365, Dynamics 365, Windows 365, Azure, Microsoft Power Platform, or any future Microsoft offerings (each, an "NCE Application").

### 1. TERMS AND CONDITIONS

1. Subscription Terms
  - a. NCE Licenses are purchased with a subscription term commitment of month-to-month, annual – billed monthly, or annual – prepaid in full.
  - b. Client can have multiple NCE License subscription types. For instance, Client can have some NCE Licenses on an annual subscription term and other licenses on a month-to-month subscription term.
2. Subscription Terminations
  - a. For all subscriptions, Client must notify TheCompuLab if Client wishes to terminate the NCE License and such license will be terminated at the next renewal date. Client will owe all fees for the remainder of the subscription term. There are no refunds for any amounts paid in advance.
  - b. NCE Licenses cannot be terminated for any reason after they are purchased. Termination notice must be given prior to the end of the subscription term and before the renewal date.
  - c. If Client fails to notify TheCompuLab that Client wishes to terminate a subscription before the end of the current subscription term, the subscription will automatically renew for an additional term and Client will owe all fees for the additional term.
3. Fees
  - a. Client agrees and acknowledges that NCE License fees may differ for the same product depending on subscription term and when the NCE License is purchased.
  - b. NCE Licenses purchased on a month-to-month subscription term will incur additional fees from Microsoft.
  - c. Fees for NCE Licenses may be increased at any renewal period. For month-to-month subscriptions, this means that the fees may be increased monthly. TheCompuLab will notify Client upon receiving notification from Microsoft of any fee increases.
4. Add-on Services
  - a. Additional services, in addition to the NCE Licenses, may be available from Microsoft to extend the functionality of a subscription. These services (also called "add-ons") will be billed in addition to your NCE License fees.
5. License Transfer
  - a. NCE Licenses cannot be transferred to any other entity or individual.
  - b. Servicing of the NCE Licenses cannot be transferred to another technology services provider during the term of the NCE License. If Client wishes to secure the services of another technology services provider while the NCE License term is in effect, TheCompuLab can transfer other services by TheCompuLab to such new provider but cannot transfer the NCE License/Applications and any associated services for such NCE Licenses/Applications.
  - c. Client will be responsible for any fees, including labor fees, to maintain Client NCE Licenses/Applications through the end of the then-in-effect NCE License subscription term through TheCompuLab. At the end of the NCE License term TheCompuLab will work with the new service provider to transfer the NCE Licenses/Applications to the new server provider at Client's expense.

6. Adjusting License Counts
  - a. During the term of the NCE License, Client may not decrease the number of NCE Licenses that Client purchased. For example, if Client purchases ten annual NCE Licenses Client will be required to pay for ten NCE Licenses for the entire subscription term even if six months after purchase Client only uses eight NCE Licenses.
  - b. Client can increase the number of NCE Licenses at any time. Increasing the NCE License count sets a new minimum license quantity commitment for the remainder of the subscription term.
  - c. If Client's need for NCE Licenses is seasonal, TheCompuLab suggests speaking with a TheCompuLab representative to determine the most cost-effective licensing strategy.
7. Downgrading Product
  - a. Client cannot "downgrade" NCE Licenses to a lesser product during the subscription term. For example, Client cannot change from a Business Premium license to a Business Standard license.
  - b. Client can "upgrade" NCE Licenses to a greater product during the subscription term, but Client will not be able to downgrade it back to the original product during the term.
  - c. Product upgrade and downgrade paths are defined by Microsoft at their sole discretion and are subject to change at any time.
8. Failure to Pay for NCE Licenses
  - a. If at any point Client fails to pay the NCE License fees, Client's Microsoft account, including all mailboxes, applications, stored files, and additional storage, may become inaccessible until the fees are brought current.
  - b. At TheCompuLab's sole discretion, TheCompuLab may require that the fees be paid for the entire remaining term prior to changing the status of Client's Microsoft account.
  - c. TheCompuLab is not liable for any damages that Client may incur due to the inability to access Client's Microsoft account due to non-payment.
  - d. Client is responsible for all payments even if Client's service is suspended. Further, Client agrees that failure to pay for NCE License fees through TheCompuLab may result in Client being unable to secure any account through Microsoft until Client's Microsoft account through TheCompuLab is current.
  - e. TheCompuLab may require credit checks of Client and personal guarantors at any time. If TheCompuLab determines that Client and/or Client's personal guarantor is not credit worthy, TheCompuLab may require a personal guarantor or different personal guarantor to guarantee the NCE License fees or may require prepayment of the NCE License fees.
  - f. If fees remain unpaid, TheCompuLab, in TheCompuLab's sole discretion, may cancel the Microsoft account at the next renewal period and all information in such account will be deleted and will not be recoverable.
9. Labor
  - a. NCE License fees do not include any labor necessary for TheCompuLab to ensure that the NCE Application works in Client's environment. Labor charges will be billed separately from the NCE License Fees unless such labor is included in Client's Managed Service Agreement.
10. Liability
  - a. Client agrees and acknowledge that all NCE Licenses and NCE Applications are provided through Microsoft and that TheCompuLab is not liable for the use of, or inability to use, the NCE Licenses and NCE Applications, any loss of data from the NCE Licenses and NCE Applications. Use of the NCE Licenses and NCE Applications is at Client's own risk and TheCompuLab does not have any liability for the use of the NCE Licenses and/or NCE Applications.
11. Data Backup
  - a. Client agrees and acknowledges that Microsoft does not back up any of Client's data for NCE Applications on its cloud infrastructure as defined by Microsoft's Shared Responsibility Model. TheCompuLab recommends that Client utilize an approved third-party backup service to backup data for NCE Applications to reduce the risk of lost data.
  - b. Unless backup services for NCE Applications are included in Client's Managed Service Agreement with TheCompuLab, Client agrees and acknowledges that it is Client's responsibility to back up any data for NCE Applications. Client agrees that TheCompuLab may require and provide an approved third-party backup service to backup data for NCE Applications at any time for an additional fee.

- c. Client agrees and acknowledges that TheCompuLab will not be responsible for any lost data.
- 12. Multi-Factor Authentication
  - a. Client acknowledges and agrees that Business Email Compromise poses a significant cybersecurity risk to both Client and TheCompuLab which can be reduced, in part, by utilizing multi-factor authentication.
  - b. TheCompuLab requires Client to adopt a least-privilege security model whereby separate, dedicated Microsoft account credentials are utilized for administration of all Microsoft accounts and have no other regular use.
  - c. TheCompuLab requires multi-factor authentication to be enabled for all user accounts in Client's Microsoft account without exception. Client agrees not to disable multi-factor authentication on any user accounts indefinitely or for longer than necessary while troubleshooting service issues.
  - d. TheCompuLab may periodically audit user accounts for compliance with multi-factor authentication requirements and enable multi-factor authentication on accounts not in compliance. Client may incur labor charges for services by TheCompuLab to ensure compliance.
  - e. TheCompuLab is not liable for any loss or damages that Client may incur due to a security breach event of any NCE Application including Business Email Compromise or any security breach event related to multi-factor authentication being disabled at the time of the event.

## 2. ACCEPTANCE

Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Addendum are intended to authenticate this writing and to have the same force and effect as manual signatures. Delivery of a copy of this Addendum or any other document contemplated hereby bearing an original or electronic signature by facsimile transmission, by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original or electronic signature.

By the signature below, Client agrees and acknowledges that he/she is authorized to execute this Addendum on his/her behalf on behalf of the company and that he/she understands this Addendum and agrees to be bound by its terms.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth above.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Company: \_\_\_\_\_