

# New Microsoft Agreements in CSP

May 2019



"Businesses and users are going to embrace technology only if they can trust it."

Satya Nadella Chief Executive Officer Microsoft Corporation

- Protecting customer privacy
- Increasing transparency
- Complying with complex global regulations



### Evolving commerce focused on customer experience

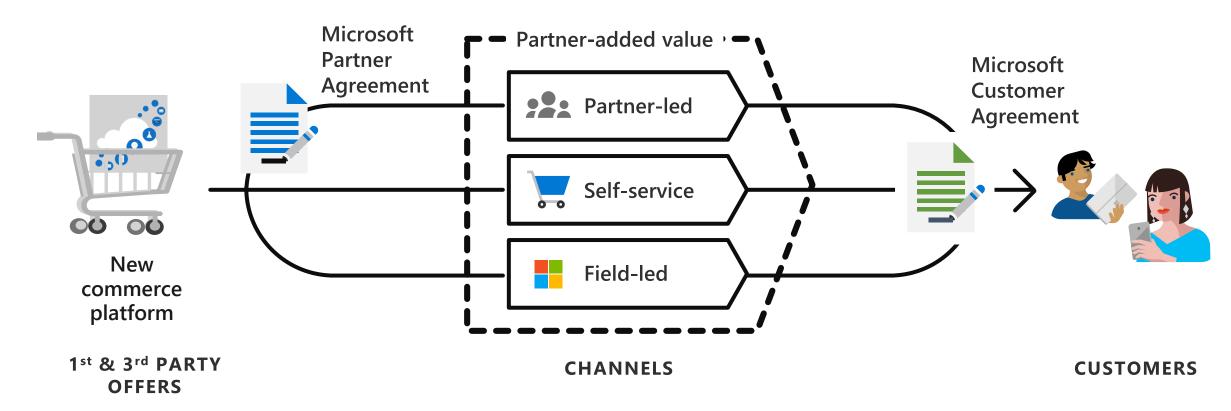
Improving the buying and selling experience for our customers and partners

A commerce platform with a single offer catalog

One Microsoft agreement that all partners sign

3 channels: Partner-led, self-service and field-led

One Microsoft agreement that all customers sign



# How new agreements help accelerate transformation

#### **Microsoft Partner Agreement**

Single set of core terms for all partners, with additional terms based on partner type, go-to-market (GTM)/offer etc.

- **Scale and efficiency**: Remove friction in contracting through perpetual and incremental terms. Enable new business scenarios
- **Compliance**: Enable compliance of latest global legal requirements and drive transparency in the channel.
- Cut cost and redundancy: Eliminate off portal contract management and repetitive business cycles on contract rationalization

#### **Microsoft Customer Agreement**

Single set of terms to follow the customer regardless of which GTM is used to purchase offers.

- **Portability of customer:** Customer can roam different GTM entry points without having to sign same terms again
- Compliance: Compliance risks mitigated through uniform customer acceptance



# Microsoft Partner Agreement



# Microsoft Partner Agreement Overview

### Provide partners with a simple, unified, digitally executed partner agreement that contains a core set of perpetual terms and enhanced data privacy, security and compliance terms presented through a simplified Why contracting experience. Dynamically presented terms tailored to partner type and offers they are qualified to sell, certifying partner identity and digital acceptance of terms prior to transacting What Integrating most commonly negotiated terms to allow for scalability across partners, reducing the need for high touch contracts The initial scope is for **partners in the CSP program**. CSP direct bill partners (Microsoft Cloud Reseller Agreement) CSP indirect provider (Microsoft Cloud Distributor Agreement) Who Indirect reseller (new)<sup>1</sup> Multi-tier terms, US Government Cloud terms Partner preview date: July 31, 2019 Agreement availability date: September 1, 2019 When Adoption period for existing partners in the CSP program: **Sept 2019 through Jan 31, 2020**

- 1. Indirect Resellers will be required to accept Microsoft Partner Agreement when they log on to Partner Center Dashboard to access CSP tenants.
- 2. After **January 31, 2020**, acceptance of Microsoft Partner Agreement will be required for all partners in the CSP programs to be able to transact (i.e. add new subscriptions or add seats to existing subscriptions) through the Partner Center API or User Interface (aka Partner Center Dashboard).

Enforcement date <sup>2</sup> January 31, 2020 (All partners in the CSP program are required to accept)

# Why Microsoft Partner Agreement

#### **Vision:**

Provide a simple contracting experience that supports all offers with consistent and relevant terms across GTM entry points while enabling partners to sell through, and build with, Microsoft.



- ✓ Flexible, concise, relevant terms based on geo and segments
- Covers all Microsoft products and offer types
- ✓ Single agreement scales to include Indirect Provider (MCDA), Direct Provider (MCRA), Multi-tier terms, Indirect Reseller terms and US Gov cloud terms.



#### MICROSOFT PARTNER AGREEMENT

#### CORE TERMS

(the "Core Terms")

These Core Terms govern how we work together, generally, and, when combined with any Program-specific terms referenced in the Enrollment executed by Microsoft and Company, in the context of a specific Program. "Microsoft" and "Company" mean the respective entities designated in an Enrollment.

#### 1. DEFINITIONS

"Confidential Information" means a party's non-public information, know-how, or trade secrets that (a) the party designates as being confidential; or (b) given the nature of the disclosure or circumstances surrounding the disclosure, the receiving party should treat as confidential.

"Company Affiliate" means any legal entity over which Company has direct or indirect ownership control of more than 50% of the equity interests of the entity (for so long as such ownership or control exists).

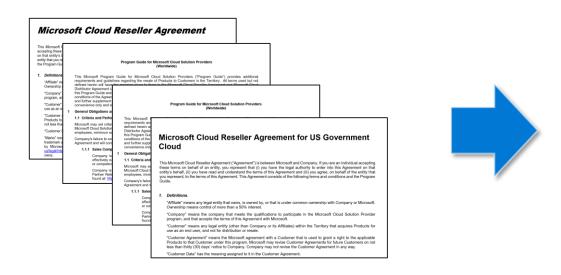
"Data Protection Laws" means any Laws applicable to Company or Microsoft, relating to data security, data protection, and/or privacy, including Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to processing of Personal Data and the free movement of that data ("GDPR").

#### 2. PROPRIETARY RIGHTS AND CONFIDENTIALITY

- 2.1 Reservation of Rights. Except as otherwise expressly granted in the Agreement: (i) each party owns and retains all rights, title, or interest in and to its own respective intellectual and other proprietary rights, and neither party grants such rights to the other party; and (ii) all permitted use of Products is by license only, and is not subject to the "first sale" or similar doctrine under copyright or other applicable intellectual property rights Laws. Any use in the Agreement of words such as "distribute," "sell," "price," "fees," or similar words is for convenience only, and not to be construed to mean that title to any underlying intellectual property rights in the Products is being transferred.
- 2.2 Excluded License. A party's rights to any Products under any Agreement do not include any license, right, power, or authority to subject the Products to any of the terms of an Excluded License. A party may use or distribute Products with other material that is subject to an Excluded License only if such Products are used or distributed in a manner that does not subject, or purport to subject, the Products (or any intellectual property related to the Products) to the terms of an Excluded License.
- 2.3 Proprietary Notices. Neither party will remove any copyright, trademark, patent, or similar notices from the other party's materials without express written consent from the other party.
- 2.4 Use of Marks. Except as expressly provided in the Agreement, or any separate license agreement that is incorporated into the Agreement by reference, the Agreement does not grant either party any right, title, interest, or license in or to any of trademarks, trade names, trade dress, or logos (collectively, "Marks") of the other party. Company may use Microsoft's corporate name, Microsoft Product names, and trademarks ("Microsoft Marks") in plain text (but not logos, trade dress, designs, or word marks in stylized form) to accurately identify and refer to Microsoft and its technology and services. However, in making such references, Company must refrain from use that is likely to cause confusion about Company's relationship

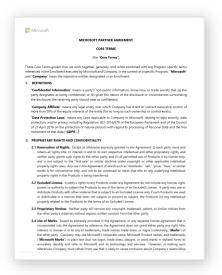
# Simplified and compliant contracting experience

### **Today**



MCRA. MCDA. Multi-Tier Amendment. US Gov Cloud Terms. Program Guide.

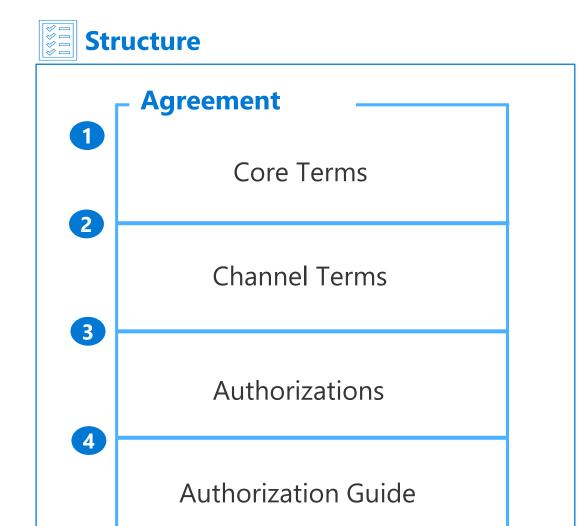
### On Sep 1, 2019



#### **Microsoft Partner Agreement**

Transparent, easy to manage and compliant

### Dynamic and modular structure of terms



### **Library of Terms**

- 1 Core Terms (all Partners)
  - General Terms
  - Rights, Restrictions, Notices
  - Obligations, e.g. Privacy, Compliance
- **Channel Terms** (transacting Partners)
  - Transacting, ex. Pricing, Payment, Tax
  - Audits & Warranties, e.g. Retention, Claims
- **3** Authorizations
  - Channel authorizations, ex. Direct Bill, Indirect Provider, Multi-Tier
  - Offer authorizations, ex. Subscriptions, Software
  - Obligations, Termination, SLA
- **4** Authorization Guide
  - Qualified Offers, e.g. Academic, National Cloud, 3<sup>rd</sup> Party Marketplace
  - Escalation Support, e.g. Severity, Contacts

# Microsoft Partner Agreement: effective September 1, 2019

### What's new?

### Indirect Reseller Onboarding

- To meet compliance goals and ensure secure and certified resale of our offers to end customers, Microsoft is required to identify and vet all entities actively transacting in our commercial channel
- Hence, Microsoft requires indirect providers to point their indirect resellers, participating in the CSP program, to onboard on Partner Center and to execute relevant terms
- Partner Center dashboard will be the main mode of communication for all partner types including indirect resellers

### What are the key enhancements?

Updated terms (key examples)

**Discount passthrough terms** - Explicit articulation of Partner obligations regarding transparency of discounts passed through the channel to the customer.

**Audit terms** - Clarifies and elevates partner rights and responsibilities in response to regulatory requirements and to better protect customers

**Compliance with law** - Much more comprehensive terms addressing variety of compliance concerns beyond anti-corruption

**Perpetual Terms** – No expiration on terms and Microsoft right to update Terms with 6 month to 30 days notice based on tier of terms being updated

# What's new in the Microsoft Partner Agreement for CSP

Торіс	Impact to Partner	Process Improvement	Experience
Indirect Reseller Strategy	Indirect Providers to point their Indirect Resellers to execute the Microsoft Partner Agreement terms (so that Indirect Providers are compliant with their MPA terms)  Cooperation on ensuring compliant Indirect Provider practices of downstream Indirect Resellers	Ensures that all the parties involved in reselling offers are part of the overall network  Enables all eligible Partners to get incentives and benefits related to the overall partner network  Enables clarity of roles in the overall CSP ecosystem	To become an Indirect Reseller, partners need to onboard to Partner Center so that their business information is captured, validated and their relationship with Microsoft is established  Indirect Provider should direct their Indirect Resellers to sign the Microsoft Partner Agreement and confirm their eligibility to act as an Indirect Reseller
Revision Management Rights	Partner Center dashboard as the main mode of communication Dynamic acceptance of new terms as programs and your engagements evolve	Ensures the right delivery mechanism for the right content Driving predictability and clarity on changes to agreements, pricing, policies and availability of products	Notification of program and or terms updates  Other notices may address updates to terms due to market conditions or privacy and compliance improvements
Agreement Structure	Modularized agreement based on partner type, GTM and offer  Enables a simplified licensing experience to transact offers (Consumption, Per User).	Terms relevant to your specific engagements are integrated into your agreement	Dynamically presented terms tailored to partner type, ensuring partner identity and digital acceptance of terms are captured prior to transacting  In keeping with your business growth and as your engagements evolve, after initial Microsoft Partner Agreement acceptance, you'll be presented with delta terms only, so that you only get what you need to be current
Audit	Clarifies and elevates Partner roles and responsibilities in response to certain regulatory requirements and to better protect Customers	Reconciles inconsistencies across Microsoft channels Provides realistic audit preparation lead times Enables independent 3 <sup>rd</sup> party auditors	Audit requirements more consistent with current Microsoft policies Addressing gaps in allocating obligations to pay for audit More stringently defined audit requirements in response to certain regulatory requirements and to better protect customers
Discount passthrough	Explicit articulation of Partner obligations regarding transparency of discounts	Ensures a stronger channel through stricter enforcement of compliance policies, especially in the Government sector	Clarification that certain discounts that Microsoft makes for the benefit of our joint customers needs to end up in the hands of the end customer

### September 1, 2019 Scope

### What will be covered

# Current agreements for the CSP program will be replaced by the Microsoft Partner Agreement

- Microsoft Cloud Reseller Agreement for the Direct Bill Partner (MCRA)
- Microsoft Cloud Distributor Agreement for the Indirect Provider (MCDA)
- Multi-tier Amendment for partners who are both Direct Bill Partners and Indirect Providers and want to use the same tenant for both tiers
- Terms and Conditions Agreement for the Indirect Reseller
- Microsoft Cloud Reseller Agreement for US Government Cloud
- Microsoft Cloud Distributor Agreement for US Government Cloud

(New) CSP indirect resellers are required to accept Microsoft Partner Agreement

### What's not changing

#### Agreements outside of the CSP program

- Commercial Distribution Agreements
- Microsoft Partner Network (MPN) agreement
- SPLA Agreement
- ISVR Agreement
- OEM devices agreements etc.

(These agreements will be phased into the Microsoft Partner Agreement at a future date that is yet to be determined)

Note: Static agreements for Distributor Agreements and Reseller Agreements will be available in October 2019

# Timeline and how partners can prepare

MAR	APR	MAY	JUN	JULY	AUG	SEP	ост	NOV	DEC	JAN	FEB
						<b>←</b>	Adoption	period for e	existing Part	ners →	 
	Announcement of Microsoft Partner Agreement May 20, 2019			Microsoft Partner Agreement Available (September 1, 2019)					Agree Enforce	ft Partner ement cement (31, 2020)	
	Agreement Preview Agr				Agreeme	/ Reseller Stati ent available er 1, 2019)	ic				

	May – July 2019	July 31 – Aug 31, 2019	Sep 1, 2019 – Jan 31, 2020
CSP Indirect Provider and Direct Bill partners	Understand the key changes and timeline, start planning for the change	Review agreement terms	Sign Microsoft Partner Agreement before January 31, 2020
Indirect Reseller (through Indirect Providers)	<ul> <li>Indirect Reseller         Onboard to Partner         Center     </li> <li>Indirect providers         Guide your resellers to Partner Center     </li> </ul>	<ul> <li>Indirect Reseller         Onboard to Partner         Center and review         agreement terms     </li> <li>Indirect providers: Guide resellers</li> </ul>	<ul> <li>Indirect Reseller:         <ul> <li>Review agreement terms and accept the Microsoft Partner Agreement on Partner Center before January 31, 2020</li> </ul> </li> <li>Indirect providers:         <ul> <li>Guide your indirect resellers in CSP to accept the Microsoft Partner Agreement on Partner Center before January 31, 2020</li> </ul> </li> </ul>

# Summary of key changes and partner actions required

	Agreei	nents	Key Changes		
	Current	Effective Sep 1, 2019			
CSP indirect provider	Microsoft Cloud Distributor Agreement (MCDA)		Single agreement scales to include Indirect Provider (MCDA) and/or Direct Provider (MCRA),		
CSP direct bill partners	Microsoft Cloud Reseller Agreement (MCRA)	Microsoft Partner Agreement	Multi-tier terms, Indirect Reseller terms and US Gov Cloud terms • Enhanced compliance		
Multi-tier terms	Multi-tier amendment		Simplified, digital contracting experience		
<b>US Government cloud</b>	US Government Cloud				
Reseller (through Indirect Providers' readiness support)	Optional acceptance of Additional terms governing Indirect Resellers	Required Microsoft Partner Agreement (New: vetting, onboarding to Partner Center, accept Microsoft Partner Agreement)	<ul> <li>Resellers</li> <li>Indirect Resellers are required to sign the Microsoft Partner Agreement to participate in the CSP program.</li> <li>Resellers need to onboard on to Partner Center and vetting process will be required</li> <li>Indirect Providers</li> <li>Indirect Providers will be obligated to point the Indirect Resellers they work with to Microsoft Partner Center to execute terms that support compliant distribution.</li> <li>Indirect Providers will be permitted to delegate technical and customer support obligations to the Indirect Resellers they work with.</li> </ul>		



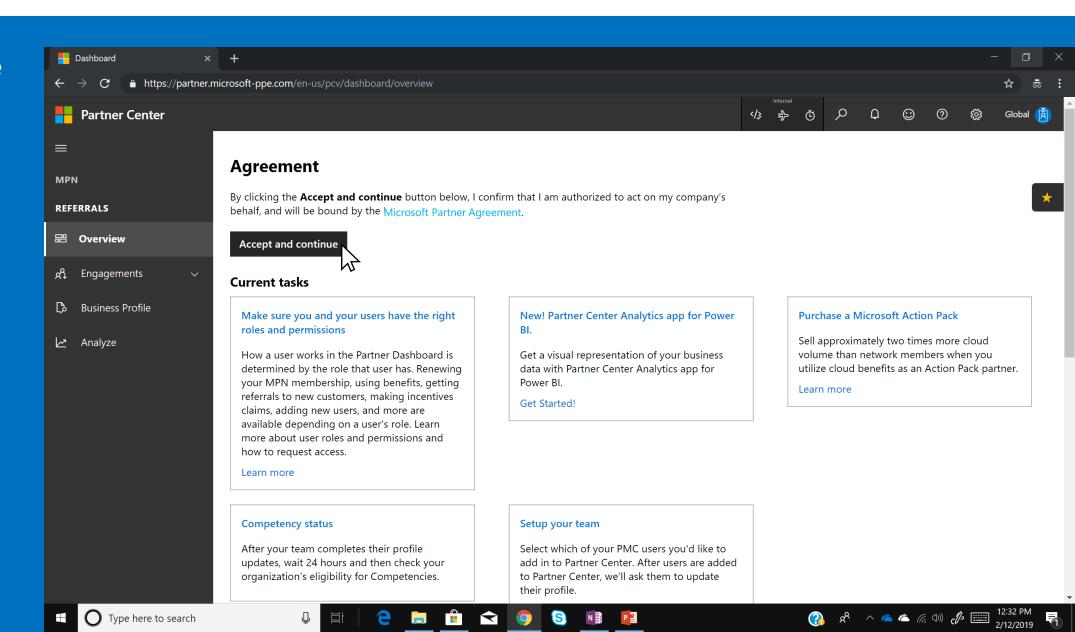
Microsoft Partner
Agreement:
CSP Indirect Providers &
Direct Bill Partners



### Direct Bill and Indirect Provider Onboarding Experience

Partner terms are presented dynamically.

Partner clicks
Accept and
continue to
complete
enrollment





# Microsoft Partner Agreement: CSP Indirect Resellers



# Indirect reseller onboarding

Today, the Indirect Reseller onboarding on Partner Center is optional. With the launch of the Microsoft Partner Agreement, Microsoft will require all Indirect Resellers to onboard and accept the agreement.

### **Partner actions required**

#### **Indirect Provider**

- Point partners that you would like to act as an Indirect Reseller to onboard and sign the agreement
- The CSP ordering/provisioning system will enable Indirect Reseller status only to partners whose MPN IDs:
  - a. Have successfully onboarded as an Indirect Reseller through Partner Center
  - b. Have accepted the Microsoft Partner Agreement terms in Partner Center

#### **Indirect Reseller**

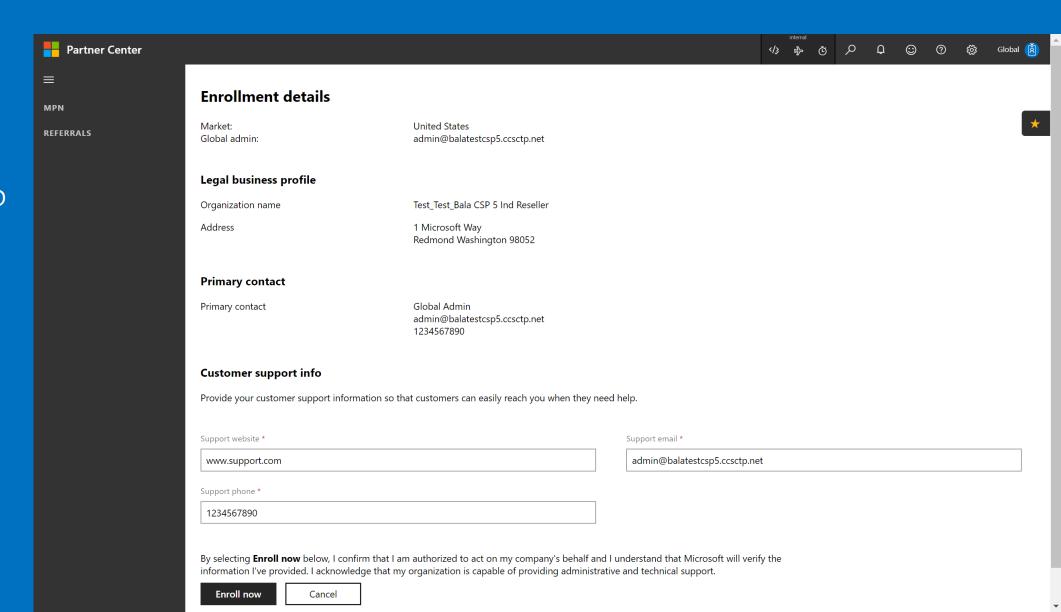
- Onboard as an Indirect Reseller through
   Partner Center, by providing the requested information (a valid MPN ID, your company name and other information). This will be used to validate your registration
- Accept the Microsoft Partner Agreement (Indirect Providers will be required by Microsoft to sell only through Indirect Resellers that have accepted Microsoft Partner Agreement terms)

# How Indirect Resellers can get started today

	Indirect Reseller Action Required	Indirect Provider Action Required		
Indirect Resellers who do not have Partner Center account	<ul> <li>Enroll in Partner Center</li> <li>Complete registration process</li> <li>Review Microsoft Partner     Agreement (starting July 31, 2019)</li> <li>Accept Microsoft Partner     Agreement on Partner Center     (between Sep 1, 2019 – Jan 31, 2020)</li> </ul>	<ul> <li>Drive awareness of the new agreement requirements and timeline</li> <li>Provide your resellers with guidance on actions to take prior to onboarding as an Indirect Reseller in Partner Center</li> <li>Help onboard your indirect resellers to Partner Center</li> </ul>		
Indirect Resellers already onboarded to Partner Center	<ul> <li>Review Microsoft Partner Agreement (Starting July 31, 2019)</li> <li>Accept Microsoft Partner Agreement on Partner Center (between Sep 1, 2019 – Jan 31, 2020)</li> </ul>	Drive awareness of the new agreement requirements and timeline		

### Indirect Reseller Experience

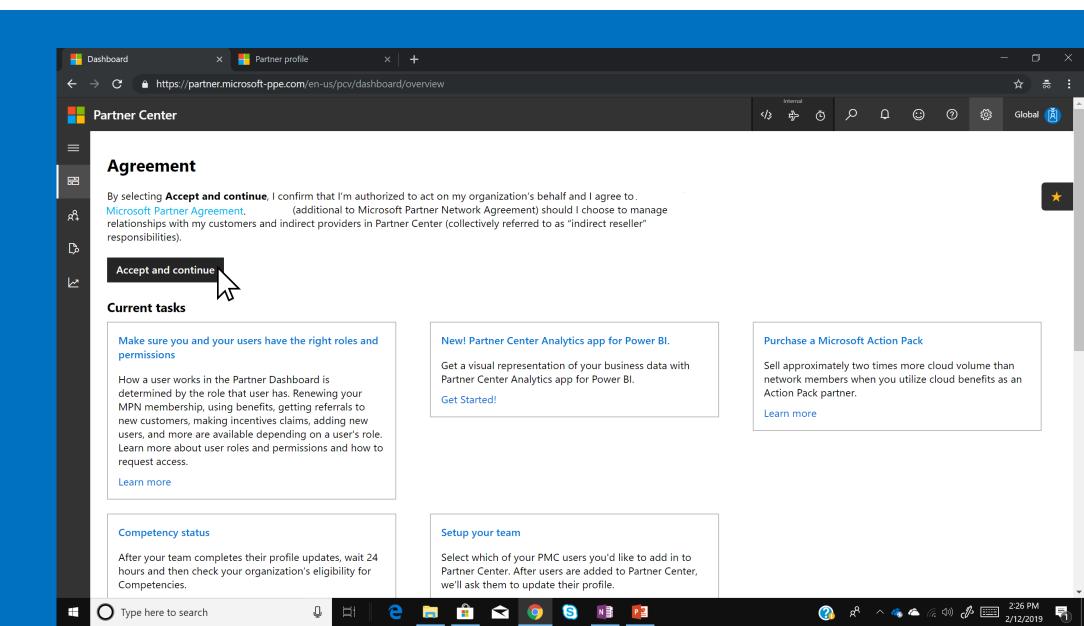
Indirect Reseller enrollment details are captured in Partner Center including associated MPN ID



### Indirect Reseller Experience

Indirect Reseller terms are dynamically presented.

Partner clicks
Accept and
continue to
complete
enrollment



# Microsoft Partner Agreement FAQ

#### Q: When will the Microsoft Partner Agreement launch?

A: Microsoft Partner Agreement will be available on Partner Center starting September 1st, 2019.

#### Q: What are the benefits of the new Microsoft Partner Agreement?

A: Simplification and reassurance! Partners will become current on compliance and privacy terms and gain an onboarding experience that meets compliance standards (anti-corruption, vetting, discount pass-through) and enables a simplified licensing experience to transact new and existing offers (Azure, Per User).

#### Q: When does the existing CSP agreement expire?

A: The existing CSP agreements expire on August 31, 2019. All known Partners will be provided advanced termination notice. In the sprit of co-design, Partner concerns and feedback have been incorporated into the new agreement.

#### Q: Do I have to provide the Microsoft Partner Agreement to all my Indirect Resellers?

A: Each Partner must accept the terms and conditions of the Microsoft Partner Agreement through Partner Center. It is the responsibility of each Partner to ensure terms are either signed with pen, signed electronically or accepted via a click (in keeping with your country's legal manner of acceptance) so that you can place an order with Microsoft. Indirect Resellers are expected to onboard onto Partner Center and sign the Microsoft Partner Agreement relevant to them.

### Microsoft Partner Agreement next steps

#### All direct bill partners and indirect providers in the CSP program

- Review the resources below and understand what is coming with Microsoft Partner Agreement
  - Partner overview presentation
  - Frequently asked questions
- Inform key stakeholders in your organization to be prepared and make an appropriate plan

#### Indirect providers for indirect reseller onboarding

- Understand the new requirement for indirect resellers regarding the Microsoft Partner Agreement
- Guide your indirect resellers to get ready and onboard to Partner Center
   More information and resources will be provided to indirect providers between late May or early June through a separate email communication



# Microsoft Customer Agreement in CSP



### Microsoft Customer Agreement Overview

What

New capabilities for Partners to confirm customer acceptance or direct their customers to accept the new Microsoft Customer Agreement.

Why

To provide a simplified, evergreen purchase agreement for customers that is presented, accepted and stored through a completely digital experience.

When

#### 1st Oct 2019

Updated terms in Partner Center for Customer Agreement confirmation.

Updated end customer experience through Microsoft Admin Center.

Who

All CSP program partners in all regions under Microsoft Public Cloud.

### Microsoft Customer Agreement

#### **Vision**

Replace complex programs, contract renewal cycles, and paperwork with a fully digital process optimized for cloud offerings



- ✓ Flexible, relevant terms based on geo and segments
- Covers Microsoft and third-party products
- Product and concession related terms added as needed
- ✓ Instant processing, without reliance on the operations centers
- Scales from a single user organization to highly complex organizations



#### Microsoft Customer Agreement

This Microsoft Customer Agreement (the "Agreement") is between Customer and Microsoft and consists of these General Terms, the applicable Use Rights and SLAs, and any additional terms Microsoft presents when an order is placed. This Agreement takes effect when the Customer accepts these General Terms. The individual who accepts these General Terms represents that he or she is authorized to enter into this Agreement on behalf of the Customer.

#### General Terms

These General Terms apply to all of Customer's orders under this Agreement. Capitalized terms have the meanings given under "Definitions."

#### License to use Microsoft Products

- a. License grant. Products are licensed and not sold. Upon Microsoft's acceptance of each order and subject to Customer's compliance with this Agreement, Microsoft grants Customer a nonexclusive and limited license to use the Products ordered as provided in the applicable Use Rights and this Agreement. These licenses are solely for Customer's own use and business purposes and are nontransferable except as expressly permitted under this Agreement or applicable law.
- b. Duration of licenses. Licenses granted on a subscription basis expire at the end of the applicable subscription period unless renewed. Licenses granted for metered Products billed periodically based on usage continue as long as Customer continues to pay for its usage of the Product. All other licenses become perpetual upon payment in full.
- c. Applicable Use Rights. For perpetual licenses, the Use Rights in effect when Customer orders a Product will apply. For subscriptions, the Use Rights in effect at the start of each subscription period will apply. Customers with subscriptions for Software may use new versions released during the subscription period subject to the Use Rights in effect when those versions are released. For metered Products billed periodically based on usage, the Use Rights in effect at the start of each billing period will apply during that period. Microsoft may update the Use Rights periodically, but material adverse changes for a particular version will not apply during the applicable license, subscription, or billing period.
- d. End Users. Customer will control access to and use of the Products by End Users and is responsible for any use of the Products that does not comply with this Agreement.
- e. Affiliates. Customer may order Products for use by its Affiliates. If it does, the licenses granted to Customer under this Agreement will apply to such Affiliates, but Customer will have the sole right to enforce this Agreement against Microsoft. Customer will remain responsible for all obligations under this Agreement and for its Affiliates' compliance with this Agreement.
- f. Reservation of Rights. Microsoft reserves all rights not expressly granted in this Agreement. Products are protected by copyright and other intellectual property laws and international treaties. No rights will be granted or implied by waiver or estoppel. Rights to access or use a

### Microsoft Customer Agreement FAQ

#### Q: What is the difference between the Microsoft Cloud Agreement and the Microsoft Customer Agreement?

A: The Microsoft Cloud Agreement is the current agreement for customers transacting through the CSP program. The Microsoft Customer Agreement is the next version of the Cloud Agreement and is a simplified purchase agreement that is presented, accepted and stored through a completely digital experience.

#### Q: What products are covered by the Microsoft Customer Agreement?

A: All Microsoft products and services available in the CSP program are covered by the Microsoft Customer Agreement

#### Q: When will the Microsoft Customer Agreement launch in the CSP program?

A: Microsoft Customer Agreement will be available starting October 1st, 2019.



# Thank you.

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