

Schedule 7: Cloud Service

1. INTERPRETATION

- 1.1 Except as defined in this Schedule 7, capitalised terms shall have the meanings given to them in the DEFINITIONS SCHEDULE.
- 1.2 To the extent applicable to the supply of Goods, in the event of conflict with the terms of this Schedule 7 and the Agreement, the provisions in this Schedule 7 shall take precedence and in the event of a conflict with the terms of this Schedule 7 and Order Form, the provisions of Order Form shall take precedence over this Schedule 7.

2. CLOUD SERVICE ORDERS

- 2.1 Orders for Cloud Services are comprised of Minimum Billable Volumes which commit the Customer to consume the Cloud Service capacity as stated in the Order Form. The Customer may additionally consume variable services which are usage based. Examples of causes for these Additional Charges are; extra users utilising the Service; additional SIP connections; or out of bundle calls. Charges for Minimum Billable Volumes will be invoiced in advance, and Additional Charges will be invoiced in arrears.
- 2.2 The Customer must ensure that purchase orders have sufficient value to accept invoices for Additional Charges where variable usage is possible. Delayed payments will be subject to **clause 7.13 of the General Terms.**
- 2.3 Charges for Cloud Services will be invoiced monthly by Direct Debit. Where an alternative invoice method is agreed, the Customer will be charged a 5% administration fee per invoice.
- 2.4 The Service Delivery Date will be ninety (90) days from the order date, unless specified otherwise in the Order Form. This will be the Commencement Date of the Order Form, and Recurring Charges will be invoiced from this date.
- 2.5 Unless explicitly stated in the Order Form, back up and storage services are not included.

3. SOFTWARE LICENSE TERMS

- 3.1 The Customer acknowledges and accepts that where the Software is provided by a Third Party and that any representations or warranties regarding the use of the Products is set out in the applicable Licence Agreement or Third Party Terms (as applicable). FourNet has no responsibility for the suitability, availability, functionality or otherwise regarding the Cloud Services and Products.
- 3.2 In consideration of the Charges paid by the Customer to FourNet, receipt of which FourNet hereby acknowledges, FourNet grants to the Customer a non-exclusive, revocable, worldwide, non-transferable license for the duration of the applicable Order Form, until terminated, to use the Software.
- 3.3 The scope of use:
- 3.4 Shall be restricted to the use of the Software in object code form for the purpose of processing the Customer's data for the normal business purposes (which shall not include allowing the use of the Software by or for the benefit of, any person other than an employee of the Customer); and
- 3.5 Means loading the Software into temporary memory or permanent storage on the relevant computer provide that installation on a network server for distribution to other computers is not "use! If the Software is licensed under this license for use on each computer to which the Software is distributed:

- 3.5.1 The Customer may not use the Software other than as specified in paragraph 2.5 without the prior written consent of FourNet, and the Customer acknowledges that Additional Charges may be payable on any change of use approved by FourNet.
- 3.6 Except as expressly stated in this Schedule, the Customer has no right (and shall not permit any third party) to copy, adapt, reverse engineer, decompile, disassemble, modify, adapt or make error corrections to the Software in whole or in part except to the extent that any reduction of the Software to human readable form (whether by reverse engineering, decompilation or disassembly) is necessary for the purposes of integrating the operation of the Software with the operation of other software or systems used by the Customer, unless FourNet is prepared to carry out such action at a reasonable commercial fee or has provided the information necessary to achieve such integration within a reasonable period, and the Customer shall request FourNet to carry out such action or to provide such information (and shall meet FourNet's reasonable costs in providing that information) before undertaking any such reduction.
- 3.7 The Customer may not use any such information provided by FourNet or obtained by the Customer during any such reduction permitted under paragraph 2.3 to create any software whose expression is substantially similar to that of the Software nor use such information in any manner which would be restricted by any copyright subsisting in it.
- 3.8 The Customer shall not:
- 3.8.1 sub-licence, assign or novate the benefit or burden of this licence in whole or in part, unless expressly consented to in writing by FourNet;
 - 3.8.2 allow the Software to become the subject of any charge, lien or encumbrance; and
 - 3.8.3 deal in any other manner with any or all of its rights and obligations under this Agreement,
 - 3.8.4 without the prior written consent of FourNet.
- 3.9 The Customer shall:
- 3.9.1 keep a complete and accurate record of the Customer's copying and disclosure of the Software and its users, and produce such record to FourNet on request from time to time;
 - 3.9.2 notify FourNet as soon as it becomes aware of any unauthorised use of the Software by any person;
 - 3.9.3 pay, for broadening the scope of the licences granted under this licence to cover the unauthorised use, an amount equal to the fees which FourNet would have levied (in accordance with its normal commercial terms then current) had it licensed any such unauthorised use on the date when such use commenced.
 - 3.9.4 shall permit FourNet to inspect and have access to any premises (and to the computer equipment located there) at or on which the Software is being kept or used, and have access to any records kept in connection with this licence, for the purposes of ensuring that the Customer is complying with the terms of this licence, provided that FourNet provides reasonable advance notice to the Customer of such inspections, which shall take place at reasonable times.
- 3.10 Any aspect of the Software may be updated at any time, provided that the core functionality of the Software will not be varied in a way that materially affects the Customer's use of the Software.

4. DATA SECURITY

- 4.1 FourNet does not and cannot control the flow of data to or from its network and other portions of the internet. Such flow depends in large part on the performance of internet services provided or controlled by third parties. At times, actions or omissions of such third parties can impair or disrupt connections to the internet (or portions thereof). Whilst FourNet will use reasonable efforts to take all actions it deems appropriate to remedy and avoid such

events, FourNet cannot guarantee that such events will not occur. Accordingly, FourNet disclaims any and all liability resulting from or related to such events.

- 4.2 FourNet shall ensure that appropriate safety and security systems and procedures are maintained and enforced to prevent unauthorised access or damage to any and all Cloud Services and related networks or resources, and the Customer Data, in accordance with Good Industry Practice.
- 4.3 FourNet is not responsible or liable for the deletion of or failure to store any Customer Data and other communications maintained or transmitted through the use of the Cloud Services or Products.
- 4.4 The Customer is responsible for all back up services unless expressly agreed in the Order Form.
- 4.5 Each Party shall promptly inform the other if it suspects or uncovers any breach of security, and shall use all commercially reasonable endeavours to promptly remedy such breach.

5. DATA PROCESSING AND PROTECTION

- 5.1 The Customer acknowledges that Data Processing during the provision of the Cloud Service may be conducted outside of the United Kingdom and European Union. FourNet shall ensure that if FourNet transfers personal data to sub-contractors located in countries outside the EEA, that transfer shall be subject to the terms of the Standard Contractual Clauses (as per European Commission's Decision 2010/87/EU) as set out in Annex 2 which FourNet enters into on behalf of the sub-contractor with the Customer

5.2 FourNet will provide details of Data Processing undertaken by itself and Subcontractors

6. PCI DSS COMPLIANT SERVICES

- 6.1 Where the Customer purchases a PCI DSS compliant solution:
 - 6.1.1 FourNet shall provide a PCI DSS compliant Service at the point of order, however major release upgrades are not included unless stated within the Order Form, and may be chargeable.
 - 6.1.2 The Customer is responsible for ensuring that all employees, agents and other users of the Software utilise it in accordance with applicable regulations and its own policies, including any obligations for validating compliance.
 - 6.1.3 The Software provides the security for all card holder data that it possesses, including functions relating to storing, processing, and transmitting card holder data. FourNet confirms that the Software complies with all applicable requirements, and the compliance has been validated with PCI DSS.
 - 6.1.4 The Customer must at all times permit FourNet to implement all updates to the Software necessary for the Software to remain PCI DSS compliant. FourNet shall have no liability to the Customer in the event that the Customer fails to allow the updates to be implemented.

7. WARRANTIES

- 7.1 The Customer warrants:
 - 7.1.1 that FourNet's use in the provision of the Cloud Services, or otherwise in connection with the Agreement of any Third Party materials, including any Hardware supplied by the Customer to FourNet for use in the provision of the Cloud Services or otherwise in connection with the Agreement, shall not cause FourNet to infringe the rights, including any Intellectual Property Rights, of any Third Party;
 - 7.1.2 it will comply with and use the Cloud Services in accordance with the terms of the Agreement, End User License Agreements, and all Applicable Laws, and shall not do any act that shall infringe the rights of any Third Party including the publishing or transmission of any materials contrary to Applicable Laws.

