



Microsoft Retail Product Terms Guide



Product Terms Guide (FPP, ESD & POSA+)

Microsoft and Partner Confidential

**Version 7.5
(FPP, ESD & POSA+)**

Document Change Log

The change log below is provided for convenience only to highlight some of the substantive revisions and is not meant to represent all of the changes that have been made to the Guide. Each party receiving this notice is solely responsible for reviewing the updated Guide in its entirety.

Date	Version	Description of Substantive Changes
7/1/2022	7.5	<ul style="list-style-type: none"> • Section 3.3 – Definition of “Product Information” added, section references to Product Information updated accordingly • Section 4, Table 4.2 – Add Windows 11, Apple Care to table. • Section 4.4 - New Section added – Microsoft 365/Office Personal/Family 3-month Telco SKUs • Section 6.1 – Update link to access Surface Device Technical Specifications • Section 7.1 – Update restrictions on sales and per transaction unit limits • Section 9.6.2 – Update product references (Add Windows 11, Remove reference to Microsoft Branded Gift Cards) • Section 9.8 – Remove Microsoft Branded Gift Cards, no longer available • Section 9.12 – Replace Windows 10 with Windows 11, where applicable • Section 9.12.1 – Update installation specifications link • Exhibit 1 – Update variable data examples for POSA Card Production • Exhibit 1 – POSA Card manufacturing specification references updated • Exhibit 1 – Table 2.1, 2.2 -Update products to remove Windows Gift Cards
7/1/2021	7.0	<ul style="list-style-type: none"> • Section 4.2 -Table 4.2 Qualifying Product - Add “Android Tablets and Any Microsoft first party product” to table. • Section 9.5.2 – POSA Products. Added “Train store personnel to recognize and avoid activating POSA cards that have been doctored or show signs of tampering” • Added Section 10 – Recurring Billing Terms
7/1/2020	6.5	<ul style="list-style-type: none"> • Changes throughout the Guide to reflect the update from Office 365 to Microsoft 365. • Mentions of Xbox Live have been removed align with today’s product names • Section 4.1 – Brand Transition: New section added to introduce Microsoft 365 Category, including an overview of the Office Brand transition. • Section 6.3 – Demo Units: Updated to reflect that Demo Units are not intended for resale and as such are not covered under the Manufacturer’s Limited Hardware Warranty. • Section 9.4 – Standards and Updates: Updated URL for Digital Product Partner Onboarding Portal • Section 9.8 – Compromised Codes: Updated to clarify which Codes may be eligible for return and added requirement on partner response in the case of fraud. • Section 9.9 – End User Support: Support Obligations table updated to clarify requirements. • Section 9.10 – Service Level Agreement for POSA Product: Clarify that Partner must do their due diligence to investigate errors before contacting Microsoft.

		<ul style="list-style-type: none"> • General document clean-up.
10/3/2019	6.1	<ul style="list-style-type: none"> • Section 6.3 (f) – Removed reference to Limited Warranty scenarios • Section 6.4 – Added back requirements for Surface Product intended for SMB
9/1/2019	6.0 (ESD&POSA)	<ul style="list-style-type: none"> • Updated guide structure, organizing it by Products and delivery methods, including sections for General, Office, Windows, Surface, Xbox, Gift card and Digital Product Terms (now includes ESD and POSA Product Terms). • ESD and POSA terms re-organized to allow for the Guide content to be tailored to Partner according to the Authorized Product Categories/Form Factors they are authorized to sell. • ESD and POSA terms captured under the Digital Product Terms • Removed EDI implementation section as this is covered in the Operations Guides • Section 3.2.2 – Updated Retail Asset Distribution tool (“RAD”) URL • Section 3.4 – Added section on requirements related to temporary tests or pilots • Section 4.1 – Added “Office 15-month and 3-month SKU” terms • Section 6.4 – Removed requirements for Surface Product intended for SMB • Section 6.2, 7.1, 8.1 – Updated Per Transaction Unit Limits for Xbox, Surface and Gift Cards • Section 6.1 (a) – Added storage space detail to Surface Terms section • Section 6.3 (c) – Updated “RDX” to “SDX” – Surface Demo Experience • Section 6.3 (f) – Added “Limited Warranty Scenarios” for Surface • Section 9.1.1 – Added definitions “DSC” and “Digital Product”

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1. INTRODUCTION

Welcome to the Microsoft Product Terms Guide (the “**Guide**”). This Guide sets forth the Additional Terms and Conditions that apply to entities or their Affiliates (“**Partners**”) that have entered into an agreement with Microsoft or its Affiliates, that specifically references or incorporates this Guide by reference (the “**Agreement**”). For the purposes of this Guide, Partner can also mean Company as defined in the Global Partner Agreement. This Guide is Microsoft Confidential Information and is intended for use only by Microsoft, Partners and Resellers as defined below.

If Partner is a Distributor, “Reseller” means such downstream resellers with whom such Partner is required or authorized to share this Guide in accordance with the Agreement.

As used in this Guide, the Retailer is the party that makes Products available for sale to End Users. A Retailer could be either a (i) Partner if the Partner is a direct retailer and makes Products available for sale to End Users; or (ii) Reseller if the Reseller is a retailer that obtains Products from a Distributor and then makes the Products available for sale to an End User.

This Guide includes all Product Terms, including but not limited to general terms, and terms applicable to Microsoft 365/Office, Windows, Surface, Xbox, Gift Card, and Digital Products.

Defined terms used but not defined in this Guide will have the same meanings ascribed to them in the Agreement or such other documents as may be incorporated by reference in the Agreement.

Microsoft reserves the right to update this Guide periodically, as set forth in the Agreement.

2. APPLICATION OF THE GUIDE

This Guide consists of the following sections:

- Section 3, General Product Terms that apply to all Authorized Products; and
- Sections 4 – 7, Product specific terms that apply to Authorized Products; and
- Sections 8 – 9, applicable to Gift Cards and Digital Products.

Each section indicates whether the required terms are applicable to Partner and/or Resellers and Retailers.

Partners that are Distributors must advise Resellers that their authorization to distribute Products is conditioned on their compliance with this Guide, as applicable and without modification, unless Partner has entered into an agreement with such Reseller that contains substantially similar terms and conditions binding on such Reseller.

3. GENERAL PRODUCT TERMS

This Section 3 sets forth the terms and conditions that apply to all Authorized Products.

3.1 Product Recall

If Microsoft, at its sole discretion, determines that a Product must be recalled, Microsoft will reimburse Partner for its reasonable costs associated with the recall of the Recalled Product, as set forth in the applicable Resource Guides for Physical and Digital Products, provided that the recall is not due to Partner's breach of the Agreement.

3.2 Marketing Execution

3.2.1 Guidance

Products must be marketed in a manner consistent with and protective of Microsoft's brand. In addition to the requirements in the Agreement, including those related to use of Marketing Materials and Microsoft Marks, and this Guide, Microsoft may implement additional marketing requirements specific to individual Products. Such additional requirements will be set forth in Street Date letters, launch letters, program letters or similar communications.

Microsoft recommends that all Partners and Retailers timely implement the marketing execution guidelines that Microsoft may make available in connection with a Product launch and on an ongoing seasonal basis. Questions about marketing execution guidelines should be directed to the Partner's Microsoft Account Representative.

3.2.2 Materials

Microsoft makes Marketing Materials available to Partner through its online Retail Asset Distribution tool ("**RAD**"), currently located at <https://dam.microsoft.com>. RAD is a web-based system that provides marketing content (such as text and imagery). Partner is authorized to use RAD in connection with its marketing and promotion of Authorized Products as set forth in the Agreement and subject to the RAD terms and conditions.

3.3 Distribution of Third-Party Products (Non-Microsoft Products)

Microsoft may, from time-to-time, make products manufactured, developed or produced by a third party ("**Third Party**" or "**Licenser**") and sold under third party brand names ("**Third-Party Products**") available for resale under the Agreement by adding them to the Price List. Except as specifically modified below, Third-Party Products shall be treated as Products under the Agreement. In the event of a conflict with the Agreement, this Section 3.3 will control to the limited extent necessary to resolve such conflict.

- Microsoft Confidential Information will include any Third-Party confidential information or materials disclosed by Microsoft (or its licensors) in connection with the Agreement, including Confidential Information regarding the Third-Party Products and associated Product-related materials, metadata and/or other information that Microsoft makes available to Retailer (“**Product Information**”) and Marketing Materials. Microsoft may share marketing and sales-related data for a Third-Party Product, including reporting relating to such Third-Party Product that Partner or Retailers share with Microsoft, with the Third-Party.
- Partner and Reseller’s obligations under the Agreement with respect to Microsoft’s intellectual property include, without limitation, the intellectual property of Microsoft’s Third-Party licensors, including the Third-Party Products and associated Product Information and Marketing Materials.
- Partner and Reseller understand and agree that Third-Party Products are provided with no warranty from Microsoft (or its Licensors) except to End Users as set forth in the applicable End User License Agreement accompanying each Third-Party Product.
- Third-Party Products will not be considered Products for purposes of Microsoft’s defense obligations. Microsoft will not have any obligation whatsoever to defend Partner in connection with Third-Party Product-related claims. Where reasonably possible, Microsoft will pass through any Third-Party defense obligations to Partner.
- Except for distribution rights explicitly licensed in the Agreement, the Agreement does not grant any additional rights to Partner for any Third-Party Products or other third-party products or technologies and Microsoft (or its Licensors) reserves all such rights.
- In addition to the branding guidelines set forth in the Agreement, Partner and Resellers must also comply with any Third-Party trademark and branding guidelines applicable to Third-Party Marks for the Third-Party Products. This Agreement does not grant or transfer to Partner or Reseller any right, title, interest or license in or to any Third-Party Marks and Partner and Resellers are solely responsible for obtaining appropriate rights to use Third-Party Marks separate from the Marketing Materials.

3.4 Pilot and Temporary Programs

Partners must comply with any specific requirements related to temporary tests or pilots as outlined in related contract amendment, program letter and/or guidance.

4. MICROSOFT 365/OFFICE PRODUCT TERMS

This Section 4 sets forth the supplemental terms and conditions that apply if Partner distributes Microsoft 365/Office Products.

4.1 Brand Transition

Office 365 Consumer subscriptions are now renamed to Microsoft 365.

See the table below to find out what the new name of your subscription will be. For purposes of this Guide, terms applicable to Microsoft 365 also apply to any Office 365 Products currently on partner price lists or in the channel.

Current Name		New Name
Office 365 Home	→	Microsoft 365 Family
Office 365 Personal	→	Microsoft 365 Personal
Office 365 Solo	→	Microsoft 365 Personal
Office 365 Services	→	Microsoft 365 Personal
Office 365 University	→	Microsoft 365 Personal
Office 365 Home (for military)	→	Microsoft 365 Family

4.2 Microsoft 365 Personal/Family 15-Month SKUs & 3-Month SKUs

Conditions of Distributing the Microsoft 365 Personal 15-Month, Microsoft 365 Family 15-Month, Microsoft 365 Personal 3-Month, and Microsoft 365 Family 3-Month SKUs:

Retailers may only sell a 15-Month SKU with a Qualifying Product according to the requirements outlined in Table 4.2 below. The 15-Month SKUs must not be sold as standalone SKUs.

Retailers may only sell a 3-Month SKU combined with a regular Microsoft 365 12-Month SKU, and such combination may only be sold with a Qualifying Products listed in Table 4.2. The 3-Month SKUs must not be sold as a standalone SKUs or without the regular Microsoft 365 12-Month SKUs.

Failure to comply with this requirement could lead to removal of the SKUs from the Price List. Partners selling these SKUs to Resellers must ensure that the Resellers are complying with this requirement.

Table 4.2

Qualifying Product
Windows PCs, Apple Mac, iPad, Chromebook, Android Tablets, Smartphones
Any Microsoft First Party Product
PC Accessories (i.e. Mouse, Keyboard, Printers, Monitor, External Storage, Laptop Bags, Networking Equipment, Hard Drives, PC Components, Partner Services, and Memberships etc.)
Third Party Inking Pens for use with Windows 10 or 11 devices
Windows 10 or 11 Software
Extended Warranty for Computer
Mobile and Fixed Line Broadband Internet Subscription Services
Computer Technical Services, Apple Care and Support
Third party Subscription Software with a minimum subscription term of 1 year.

4.3 Microsoft 365/Office Digital Terms

See the Digital Product Terms section for additional terms applicable to Microsoft 365/Office ESD and POSA Products.

4.4 Microsoft 365/Office Personal/Family 3 Month Telco SKUs

Conditions of Distributing Microsoft 365 Personal/Family 3-Month Telco SKUs:

Mobile Operators may only sell, distribute, or otherwise make available the Microsoft 365 Personal/Family 3 Month Telco SKUs to customers as part of a mobile, device, broadband or services Tariff (“**Tariff**” is a contracted duration not to be less than 12 months where a customer takes out a mobile or broadband plan that commits the customers to a monthly payment for networks services such as data, minutes or texts and/or hardware). The SKU must not be sold as a Standalone SKU.

Mobile Operators must make commercially reasonable efforts to only make available the 3 Month Telco Acquisition SKU once during a customer’s Tariff.

The 3 Month Telco Acquisition SKU will renew onto the Monthly or Annual Telco Renewal SKU's unless cancelled.

Failure to comply with this requirement could lead to removal of SKUs from the Price List. Partners selling these SKUs to Resellers must ensure that the Resellers are complying with this requirement."

5. WINDOWS PRODUCT TERMS

This Section 5 sets forth the supplemental terms and conditions that apply if Partner distributes Microsoft Windows Products.

5.1 Windows Digital Terms

See the Digital Product Terms section for terms applicable to Windows ESD Products.

6. SURFACE PRODUCT TERMS

This Section 6 sets forth the supplemental terms and conditions that apply if Partner distributes Microsoft Surface Products. The individual sections below apply to the extent Partner is authorized to distribute such Products under the Agreement.

6.1 Required Minimum Terms and Conditions for Surface

Retailer must provide notice of the fact that the Surface Device contains software that reduces the amount of storage available to End Users. Such notice must be:

- (a) Substantially similar to the following disclosure statement, for each Surface Device (as Microsoft may amend and communicate to Partner and/or Reseller from time to time):
"System software uses significant storage space. Your storage capacity will be less. See [Surface.com/storage](https://www.surface.com/storage) for more details. 1 GB = 1 billion bytes, TB = 1 trillion bytes."
- (b) Made in a clear and conspicuous manner to End Users before they acquire the Surface Device, including, by way of example only, on applicable product detail pages of Retailer's website and in materials at the point of sale; and
- (c) At a minimum, made in the same language as the default language of the Surface Device's operating system.

Retailer must not (i) market, sell or distribute any Surface Devices whether online (if permitted) or in any of its physical stores, without having such notice in place; or (ii) alter, remove or obscure any similar disclosure made by Microsoft on the product packaging of any Surface Device. Microsoft recommends that Retailer directs End Users to [www.Surface.com](https://www.surface.com) for the most current Surface Device technical specifications.

6.2 Restrictions on Sale – Per Transaction Unit Limits

General Restrictions. Retailer must not sell, distribute or otherwise transfer more than three (3) units of any Surface Device, in any given online transaction. Retailer will use best efforts not to sell, distribute or otherwise transfer more than three (3) units of such Surface Device, whether in a single transaction or a series of transactions, to the same End User at any in-store location on any given day. Further, in addition to Retailer's reporting obligations under the Agreement, Retailer will provide reasonable reporting to Microsoft from time to time, at Microsoft's request, to demonstrate compliance with these conditions. Microsoft reserves the right to further restrict per transaction unit limits during Microsoft funded promotions, in which case such additional requirements would be set forth in the related program and/or offer terms.

6.3 Demo Units

- (a) **Purchase.** Microsoft may, from time-to-time, provide Partner the opportunity to purchase a limited number of Surface Devices or Accessories at a discount off the normal wholesale price for demonstration use in a Retailer's retail store environment (each such product is a "**Demo Unit**"). Once purchased, a Demo Unit becomes the property of Partner or Retailer and subject to the terms and conditions contained herein.
- (b) **Display.** Retailer must display Demo Units for the entire period when a Product is listed on the Price List and not marked as End of Life (EOL) (the "**Agreed Demo Period**") and in such locations in Retailer's retail store environment as mutually agreed between Microsoft and Retailer.
- (c) **Demo Experience.** Retailer must run Microsoft's Surface Demo Experience ("**SDX**") on Demo Units at all times during the Agreed Demo Period. Retailer must update the SDX content as new versions are made available from Microsoft.
- (d) **Replacement and Repair.** If any Demo Unit (or component thereof) is damaged as a result of normal product demonstration-related use and is in need of replacement during the Agreed Demo Period, Retailer must contact its Partner or Microsoft account representative to request a replacement. Partner or Retailer will be solely responsible for the cost of the replacement Demo Unit unless otherwise agreed by Microsoft.
- (e) **Disposal.** Retailer will be solely responsible for disposing of any such Demo Unit at the end of the Agreed Demo Period and will comply with all applicable laws and regulations relating to such disposal. Under no circumstances will Microsoft issue a Return Merchandise Authorization to Partner or Retailer, or accept a Return, for a Demo Unit. Demo Units are not intended for resale and as such are not covered under the Manufacturer's Limited Hardware Warranty.

6.4 Surface Products Intended for Small or Medium Business Customers

- (a) Distribution of Surface Products Intended for SMB Customers. Microsoft may, from time to-time, provide Partner the opportunity to purchase Surface Products intended for resale to SMB Customers in a Retailer's in-store or online environment by making such Surface Products available on the Price List. "Small or Medium Business Customer" or "SMB Customer" means a legally recognized business entity with approximately one (1) to two hundred fifty (250) employees.
- (b) Conditions of Distributing Surface Products Intended for SMB Customers. As a condition of distributing Surface Products intended for SMB Customers, Retailer must:

- Enforce a per transaction purchase limit of not more than two hundred fifty (250) units of such Surface Products, unless Retailer receives prior written permission from Microsoft to exceed the per transaction purchase limit
- For online sales, have an online portal or web page dedicated to sales to End Users that are SMB Customers
- For in-store or call center sales, have a business division and sales force dedicated to sales to End Users that are SMB Customers
- Only merchandize such Surface Products in an in-store section or online presence dedicated to SMB merchandising and purchasing (e.g., a Tech Bench or business web page or portal)
- Be an authorized Surface Retailer
- In addition to Retailer's reporting obligations under the Agreement, provide reasonable reporting to Microsoft from time-to-time, at Microsoft's request, to demonstrate compliance with the above conditions

7. XBOX PRODUCT TERMS

This Section 7 sets forth the supplemental terms and conditions that apply if Partner distributes Microsoft Xbox Products.

7.1 Restrictions on Sale – Per Transaction Unit Limits

General Restrictions. Retailer must not sell, distribute or otherwise transfer more than three (3) units of any individual Xbox Product, including Xbox Consoles, Accessories, Games and Subscriptions, in any given online transaction. Retailer will use best efforts not to sell, distribute or otherwise transfer more than three (3) units of such Xbox Product, whether in a single transaction or a series of transactions, to the same End User at any in-store location on any given day. Further, in addition to Retailer's reporting obligations under the Agreement, Retailer will provide reasonable reporting to Microsoft from time to time, at Microsoft's request, to demonstrate compliance with these conditions. Microsoft reserves the right to further restrict per transaction unit limits during Microsoft funded promotions, in which case such additional requirements would be set forth in the related program and/or offer terms.

7.2 Xbox Digital Terms

See the Digital Product Terms section for additional terms applicable to Xbox Digital Products.

8. GIFT CARD PRODUCT TERMS

This Section 8 sets forth the supplemental terms and conditions that apply if Partner distributes Gift Card Products.

8.1 Restrictions on Sale – Per Transaction Unit Limits

General Restrictions. Retailer must not sell, distribute or otherwise transfer more than three (3) units of any Gift Card Product, in any given online transaction. Retailer will use best efforts not to sell, distribute or otherwise transfer more than three (3) units of such Gift Card Product, whether in a single transaction or a series of transactions, to the same End User at any in-store location on any given day. Further, in addition to Retailer's reporting obligations under the Agreement, Retailer will provide reasonable reporting to Microsoft from time to time, at Microsoft's request, to demonstrate compliance with these conditions. Microsoft reserves the right to further restrict per transaction unit limits during Microsoft funded promotions, in which case such additional requirements would be set forth in the related program and/or offer terms.

8.2 Gift Card Territory Restrictions

To the maximum extent permitted by applicable law, if Partner distributes Gift Cards, Partner and its Resellers will limit their distribution to those countries in the Territory that recognize, as the official currency, the denominated currency of the Gift Card Value associated with the Gift Cards. "**Gift Card Value**" means the currency stored value or value denominated in local currency, which is unlocked through association with an End User's Microsoft account, and can be used by the End User to purchase goods and services offered at select stores and online properties.

9. DIGITAL PRODUCT TERMS

This Section 9 sets forth the supplemental terms and conditions that apply if Partner distributes Digital Products.

9.1 Definitions

The following terms have the following meanings:

- (a) **“Authorized Technical Partner”** means a third party authorized by Microsoft to create and manage Codes for the POSA Product.
- (b) **“Caching”** or **“Cache”** means the acquisition, from Microsoft, of ESD Product, by Partner or Reseller, with the intent to stockpile or bulk buy Codes as inventory rather than to fulfill a simultaneous, real time End User transaction.
- (c) **“Chit Card”** means a Card that is used for in-store merchandising for ESD PTR products.
- (d) **“Digital Product”** means any Product that Company delivers to a Customer or otherwise activates for an Indirect Reseller through one or more Digital Product Delivery Solutions. ESD Products and POSA Products are a subset of Digital Products.
- (e) **“ESD”** means Electronic Software Download.
- (f) **“Microsoft Digital Support Teams”** means supporting teams for digital services, including Digital Supply Chain Support (DSC Support) and OneStore Operations Center (OSOC).
- (g) **“POSA”** means Point of Sale Activation.
- (h) **“POS System”** means Partner’s backend POSA Product activation system.
- (i) **“Print-to-receipt”** or **“PTR”** means a scenario where ESD Products are merchandised in-store using a kiosk or Chit Card, and the End User receives an active Code on the purchase receipt.
- (j) **“Redeemed Code”** means a Digital Product Code that has been associated with one of Microsoft’s platforms, End User accounts or stores to unlock, download or otherwise access Products, services or content or to add any associated value to the End User’s account.
- (k) **“Serial Number”** means a unique identifier generated by Microsoft that is encoded within the bar code of a POSA Product and used and transmitted by Partner to Microsoft as part of the Card activation and deactivation processes.

- (l) **“Unredeemed Code”** means an ESD or POSA Code that has not yet been associated with one of Microsoft’s platforms, End User accounts, or stores to unlock, download or otherwise access Products, services or content or to add any associated value to the End User’s account.

9.2 Eligibility Requirements for Resellers of Digital Product

All Resellers of Digital Product must meet the eligibility requirements below (the **“Eligibility Requirements”**) and be approved by Microsoft. Prior to initiating a discussion with a potential Digital Product reseller, Partner will provide the reseller’s name and any information requested by Microsoft to Microsoft for Microsoft’s pre-approval. Microsoft will approve or reject the potential Digital Product reseller within a reasonable time of Partner’s request. Once approved by Microsoft and Partner, such reseller shall be deemed a Reseller under the Agreement and must comply with the Eligibility Requirements at all times. Microsoft and Partner will review the list of Resellers on an annual basis during the term of the Agreement to assess performance and compliance with the Eligibility Requirements. Microsoft may rescind its approval of a Reseller at any time, including if the Reseller is found to be noncompliant.

9.2.1 Eligibility Requirements

In order to be considered a Reseller, a party must:

- Have quality customer service capabilities, including:
 - Customer support contact information prominently available on the party’s website;
 - Transaction level customer service available for free via at least two methods, such as phone, internet, email, or chat during regular business hours, Monday through Friday (except on national holidays); and
 - Have strong experience in driving digital sales of software, content, Gift Cards and/or subscriptions at retail.
- Have a quality credit rating and be in good business standing:
 - With local authorities and government; and
 - With antipiracy and anti-fraud organizations (e.g., no violations within 24 months).
- Comply with the terms within Digital Product Terms section of this Guide applicable to Resellers.
- Demonstrate a willingness and ability to partner closely with Microsoft to timely address and resolve any fraud-related issues applicable to the Digital Products.

Microsoft has sole discretion to approve a Reseller for each new Authorized Product Category/Form Factor and Authorized Product. Microsoft reserves the right to change the Eligibility Requirements upon notice to Partner.

9.3 Distribution Requirements

As a condition of distributing Digital Products, Partner and Reseller will follow the below requirements for ESD and POSA Products, respectively.

9.3.1 ESD Products

Company will:

- (a) Be responsible for all transactions related to the sale and delivery of Codes, except as specifically set forth herein or in the Guides;
- (b) Provide a secure purchase transaction;
- (c) Deliver the purchased, activated Code to the End User on a register/kiosk receipt for PTR, or via email communication and/or SMS/text message for online sales;
- (d) Promptly implement and comply with any technical integration, platform and/or delivery specifications that Microsoft provides to Partner, as the same may be updated by Microsoft from time to time;
- (e) Not Cache, stockpile or otherwise engage in or enable the practice of Caching Codes;
- (f) If Partner is a Distributor, it will use commercially reasonable efforts to monitor its Resellers' compliance with Microsoft's restriction on Caching and promptly notify Microsoft in the event that a Reseller's ESD purchase activity suggests actual or probable Caching in violation of Microsoft's policies set forth in this Guide;
- (g) Comply with the following Code distribution and management requirements:
 - (1) The Consumer Experience Requirements set forth in Section 9.5; and
 - (2) The minimum requirements in the Guides that pertain to Code management, including, without limitation, the security requirements in the Microsoft Digital Operational Resource Guide ("**Digital Operations Guide**").

9.3.2 POSA Products

Company will:

- (a) Follow all POSA Product and Card ordering, and activation instructions set forth in the Guides.
- (b) Partner or Reseller will develop a process whereby the Cards are activated before being sent to End Users if the Retailer distributes Cards via a Retailer web property or other website. The process will include initiating a Card activation request to Microsoft

or Microsoft's Authorized Technical Partner. When the End User purchases the Card for a POSA Product from Retailer, Partner will ensure that Retailer's POS System will send the activation requests directly to Channel Inclusion Services, which will process the activation or denial, as set forth in the Guides;

- (c) If Retailer installs the activated POSA Product on an End User device at End User's request, comply with the End User POSA Product installation requirements as set forth in the Guides and any End User restrictions on use that may apply in connection with such installation services;
- (d) Remove all discontinued SKUs and properly assort new SKUs during scheduled store resets.

9.4 Standards and Updates

Partner will install and maintain the most current version of the ESD and/or POSA services as applicable, as set forth on the Technical Integration page on the CES Partner-Onboarding Portal. Any exceptions must be mutually agreed upon by Microsoft and Partner.

Partners can access the Microsoft Commerce Enablement Service (CES) Partner-Onboarding Portal here: <https://microsoft.sharepoint.com/teams/DPDIntegration/>

If Retailer is authorized to distribute ESD Products in the United States, Retailer will remain PCI level 3 compliant at all times in connection with the distribution of such ESD Products.

9.5 Consumer Experience Requirements

Prior to commencing Digital Product distribution to End Users, Partner and Reseller, as applicable, must (i) meet the consumer experience requirements set forth in this section 9.5 for the Digital Products they intend to distribute, whether online, in store or via PTR (as applicable), and (ii) be pre-approved by Microsoft for each such distribution scenario. Partner and Reseller must maintain these requirements, at a minimum, for the Term of the Agreement. Note that additional requirements may be set forth in Product-specific sections of this Guide.

9.5.1 ESD Products

- (a) Consumer Experience Requirements for ESD Products sold Online and via PTR

Partner and Reseller will:

- Deliver, in writing, to the End User the following information upon sale:
 - Full Product name, version and SKU
 - Product Code required to redeem the Product

- Instruction on how to redeem Product, including a link to where to redeem the Product
- Product return policy
- Display clear and prominent “Code cannot be replaced – keep in a safe place” messaging to End Users on merchandising assets AND in close proximity to the Code on the register/kiosk receipt or email confirmation. Provide an uncomplicated shopping, buying and delivery method for End Users to buy/receive ESD tokens online and/or in store. The End User must receive their Microsoft electronic Code and related redemption instructions directly upon purchase. Methods that require additional consumer registration or other intermediate steps prior to Code delivery are not permitted.
- Use only Microsoft–provided, localized Product title and images, descriptions/messaging, logos and branding, download and system requirements, account sign up details, and redemption/download instructions, without modification on ESD product pages and with Code on confirmation/receipt email or SMS/text message (online) or in merchandising and with Code on register/kiosk receipt (in store).
- Clearly and conspicuously disclose the following Required Minimum Terms and Conditions to End Users pre- and post-purchase:
 - Any End User restrictions on purchase or use;
 - Correct Product licensing information (online) and/or on all merchandising assets, and with Code on register/kiosk receipt (in store);
 - Clear messaging of Retailer's return policy, either online or in store, if applicable;
 - Clear information on how to contact support for help on transaction, receiving link to bits, Code fulfillment, Product installation and Code activation/redemption, as applicable (with Code on register/kiosk receipt for PTR transactions); and
 - Any other Product Information or disclosures required by applicable Law or provided by Microsoft.
- Retailer will provide each End User with proof of purchase of each ESD Product purchased.

(b) Additional Consumer Experience Requirements for ESD Products sold Online

In addition to the requirements in Section 9.5.1 (a), Partner and Reseller, if distributing ESD Products online, will do the following:

- Where Required Minimum Terms and Conditions may not be disclosed in full due to space restrictions, use only Microsoft provided URLs without modification to access download and system requirements, account sign-up details, redemption/download instructions and terms and conditions;

- Use search terms provided by Microsoft and optimize search results for navigation of downloadable or Digital Products;
- Ensure secure, timely, and successful receipt by End User of purchase receipt, link to bits and Product Code, as applicable;
- If Partner or Reseller “sniffs” an End User’s device for purposes of recommending an ESD Product or to confirm that the End User’s device meets the ESD Product system requirements prior to purchase or download, such sniffing may only be done with prominent notice and explicit consumer opt-in consent.

(c) Additional Consumer Experience Requirements for ESD Products sold via PTR

In addition to the requirements in Section 9.5.1 (a), Partner and Reseller, if distributing ESD Products via PTR, will do the following:

- Where Required Minimum Terms and Conditions may not be disclosed in full due to space restrictions, deliver Microsoft-provided URLs without modification to End Users together with their Code on the register/kiosk receipt so that End Users may access download and system requirements, account sign up details, redemption/download instructions and terms and conditions;
- Ensure that store personnel are trained on how to merchandise and sell ESD in store or at register/kiosk;
- Use only Microsoft-provided artwork and assets for in-store Product representation.

9.5.2 POSA Products

Partner and Reseller must:

- Ensure that the consumer receives their Microsoft electronic Code and related redemption instructions directly upon purchase. Methods that require additional consumer registration or other intermediate steps prior to Code delivery are not permitted;
- Merchandise POSA Products on the retail floor and not under any type of security measure (for example, in a locked cabinet);
- Train store personnel on how to merchandise, sell, activate, check the redemption status of Cards, and deactivate Cards;
- Train store personnel to recognize and avoid activating POSA cards that have been doctored or show signs of tampering
- Train store personnel on how to reorder Cards;
- Train Retailer customer service to address all issues regarding activation of Cards; and

- Ensure POS terminals are capable of real-time Card activation status check.

9.6 Returns of Digital Products

9.6.1 Customer Returns

1) ESD Products

As a condition of accepting an ESD Product return from an End User, Retailer will; (i) inform such End User in writing that such End User is no longer entitled to use the ESD Product Code; (ii) promptly remove any access to the ESD Product Code the End User may have via the Retailer's website, as applicable; and (iii) destroy the ESD Product Code. Neither Partner nor Reseller will use or distribute any such returned Codes. If Partner is distributing Products under a resale model instead of an agency model, such return will be at Retailer's own expense, unless the Code meets the return eligibility requirement below.

2) POSA Products

As a condition of accepting a POSA Product return from an End User, Retailer will destroy the returned Card in a manner that prevents the Serial Number and Code from being read or scanned. Neither Partner nor Reseller may distribute any POSA Product or associated Serial Number if the Card has been returned by an End User. Partner will ensure that Retailer's POS System is enabled to block any previously sold Serial Number from being resold, regardless of whether it has been activated, deactivated, or redeemed. If a Serial Number has been previously sold, the POS System must identify the Serial Number as a duplicate in its system and prevent the transaction and activation of that Serial Number. If Retailer accepts a POSA Product return from an End User, such return will be at Retailer's own expense, unless the POSA Product meets the return eligibility requirements in Section 9.6.2 below.

9.6.2 Eligibility for Return of Digital Product Codes from Partner to Microsoft

Unless otherwise required by applicable law, the below return policy applies to Unredeemed Codes.

Return Eligibility by Product	
Product	Returns allowed
Windows 11	No
Office 2019/Office 2021	Yes
Microsoft 365	Yes
Xbox Subscriptions	No
Xbox Gift Cards	No
Xbox Games	No
Skype Products	Yes
Minecraft PC	No
Third Party Products	No

Unredeemed Codes are only eligible for return and credit if the Products are both eligible for return and successfully returned to Microsoft via the Approved Deactivation Process within the Digital Product Return Period. **“Approved Deactivation Process”** means the process set forth on the ESD and POSA Technical Integration page on the DSC Partner-Onboarding Platform that Partner must follow when returning an eligible Unredeemed Code. This process requires Partner to execute following APIs:

- ESD: Return Token API through Channel Inclusion Services to submit a request for deactivating a Code associated with the ESD Product that was purchased.
- POSA: DeActivateToken API to submit a request for deactivating a Code associated with the POSA Card that was purchased.

In a subsequent billing cycle, Microsoft will process a credit for a Product Code that has been confirmed to be deactivated. **“Digital Product Return Period”** means the thirty (30) calendar day period that begins on the date on which Partner purchases ESD Product from Microsoft and ends on the day that is thirty (30) calendar days thereafter. Digital Product purchased prior to completion of the Approved Deactivation integration work and signature of this Agreement are not eligible for return or credit.

Note: For information on Return of Redeemed Microsoft 365 Codes, see Section 2.4.2 of the Microsoft Digital Operations Resource Guide.

9.7 Disposition of Damaged POSA Product

Unless expressly permitted by Microsoft in writing, neither Partner nor Reseller will salvage or resell any damaged or otherwise non-saleable Cards returned by an End User and will take all steps required of it to prevent others from salvaging such items.

9.8 Compromised ESD Codes

Microsoft is not responsible and will have no liability whatsoever to Partner or Reseller for any Codes in Partner’s or Reseller’s possession that have been compromised (e.g., due to theft from or hacking of systems or fraud or phishing scams).

In limited instances for the select Products identified below, Microsoft may, at its discretion, permit Partner to return Unredeemed Codes that have been compromised due to fraud. Compromised return requests are to be made as soon as Partner identifies an issue.

- Skype Products, Xbox Gift Cards, Xbox Subscriptions, Office 2019, Office 2021 and later versions, Microsoft 365 and Minecraft PC Products
- Compromised ESD Products not listed are **not eligible** for return and credit.

If Partner believes it has been a victim of such fraud, it can request that Microsoft accept such impacted codes for return and deactivation. Deactivation requests should be submitted according to the process set forth in the Digital Operations Guide. Microsoft will review such requests and notify Partner whether the request will be granted.

9.9 End User Support

1) By Retailer

Retailer will provide the first level of End User support on issues related to the Digital Product Code purchase, delivery, use, redemption and operation. Retailer will also be responsible for providing End User support on all issues related to Product Information disclosures or the lack thereof. Retailer will deliver this support according to the requirements in the Guides and Retailer’s own End User support policies and procedures. Retailer will implement the functionality and maintain the records needed to look up an End User’s Code by receipt number. If Retailer is unable to resolve End User issues related to Digital Product Code or Card use and operation after a good faith effort, Retailer will refer those End User issues to Microsoft.

Below is a detailed summary of Retailer’s Digital Product support obligations:

Digital Product	Support Obligations	
ESD	UX review showing support information/content displayed to End Users during purchase and ESD Product download processes as well as when any errors occur. Retailer should provide an example of email confirmation, if applicable.	Required
POSA &ESD	Ensure there is an agreement of understanding of Retailer supported and Microsoft supported scenarios.	Required

ESD & POSA	Provide customer support contact information for End User routing.	Required
ESD & POSA	Publish hours of support operation on Retailer website and/or stores as applicable	Required
ESD & POSA	Publish SLA for customer response times in a clear and conspicuous manner.	Required
ESD & POSA	Agree with Microsoft Digital Support teams on issue resolution SLAs.	Required
ESD	Include a "From" email address in confirmation email that is sent to End User to which End Users can use to contact Retailer for follow-up queries.	Required , if email Confirmations available
ESD & POSA	Provide a single point of contact or distribution list email for to engage with Microsoft on any technical engage. Notice of updates required when any changes occur.	Highly Recommended
ESD & POSA	Creation of customer support scripts/knowledge base articles for Retailer's customer support teams so that Retailer can respond to End User issues properly.	Highly Recommended
ESD & POSA	Create URL or Friendly URL for Retailer's End User support page (if applicable).	Highly Recommended
ESD & POSA	Post Microsoft's consumer support contact information on customer-facing support websites.	Highly Recommended

2) By Microsoft

Microsoft will provide support to End Users according to its standard support policies and procedures and as set forth in the Guides. Microsoft's support obligation is limited to:

- (1) Issues related to the Digital Product EULA or other terms of use for the Digital Product; and
- (2) Second level support for issues related to Digital Product use and operation if Retailer is unable to first resolve those issues.
- (3) End User queries for Minecraft digital products should be directed to <https://help.mojang.com>

9.10 Service Level Agreement for POSA Products

If Partner is responsible for POSA activation, it will comply with this Service Level Agreement:

- Partner will be responsible for and maintain all servers, connectivity and other systems (the "**Partner Systems**") that are owned and operated by Partner and that are required for (i) Partner host-to-host processing on the POSA System; and (ii) facilitation of activation of Cards through the POSA System.
- The Partner System will be Operational at least ninety-nine percent (99%) of Total Time ("**Partner Service Level**"). For purposes of this Section 9.10, "**Operational**" means that

the Partner System is: (i) functional and available for its intended End Users in substantial accordance with its documentation and all applicable specifications, and (ii) not experiencing any material End User-impacting errors, defects or service-limiting issues. The Operational percentage is the percentage resulting from the following calculation: $[1 - (\text{Downtime}/\text{Total Time})] \times 100$, as measured by Partner's third-party monitoring tools, including as of the Effective Date. "**Downtime**" is the number of minutes the Partner System is not Operational due to reasons excluding maintenance routine activities. "**Total Time**" is the total number of minutes in a given calendar month.

- If the Partner Systems fail to meet the Partner Service Level requirements set forth above, other than a failure caused in whole or in part by Microsoft, any third party, or by Force Majeure (a "**Partner System Failure**"), then Partner will notify Microsoft as soon as practical via the contact information set forth in the Agreement.

Microsoft will have the right to suspend Card activation until the problem is resolved to Microsoft's reasonable satisfaction. Following the suspension of Card activation by either party, Partner and Reseller will cease all sales of the Cards at the point-of-sale level and will remove the Cards from the display fixtures.

If Partner or Reseller suspects that a POSA Product activation or deactivation issue is being caused by a Microsoft POSA System, Partner or Reseller will investigate the issue on their side to identify the problem. If this problem does not reside with Partner or Reseller, they must immediately notify Microsoft of the suspected problem so the problem can be addressed.

9.11 Microsoft 365/Office ESD Requirements

In addition to the General ESD Product Terms above, Partner and Reseller must comply with the following Requirements that apply to Microsoft 365/Office ESD, as applicable:

- Partner's sales reports must include Reseller name and the End User's country;
- Neither Partner nor Reseller will create, maintain or provide a separate Download Manager solely with respect to Microsoft 365, and/or Office 2019/Office 2021 ESD Products;
- Partner should only present PTR as an option to Microsoft pre-approved Microsoft 365/Office PTR Retailers who commit to maintain the consumer experience requirements outlined in Section 9.5;
- Partner or Reseller will use only Microsoft-provided localized PTR assets (PTR Chit Card artwork), produce PTR Chit Cards to Microsoft specifications, and stock PTR Chit Cards in adequate volumes to drive sales; and
- For in-store transactions, Partner or Reseller will ensure that the Retailer cashier/sales person **physically attaches the receipt** (containing Microsoft 365/Office product Code) to the PTR Chit Card and provides both the PTR Chit Card and receipt to the End User.

9.12 Windows ESD Requirements

In addition to the General ESD Product Terms above, Partner and Reseller must comply with the following terms, as applicable, in connection with the distribution of Windows 11 ESD Products.

9.12.1 Required Minimum Terms and Conditions

Retailer will provide End Users with the following information (the “**End User Instructions**”) in a clear and conspicuous manner before such End Users purchase a Windows 11 ESD Product, which information will be provided by Microsoft:

- System requirements for Windows 11 ESD Product;
- Explanation of why and how End Users should back up their devices prior to installation;
- Detailed information regarding upgrade options, and;
- Retailer must include messaging on the product description or detail page and other webpages owned or controlled by Retailer, where appropriate, to inform End Users prior to purchase of the following:
 - *“Windows 11 Home and Windows 11 Pro ESD are full version Products. Before installing, see <https://www.microsoft.com/en-us/windows/windows-11-specifications> for important information. Some features such as touch may require a new device.”*

9.12.2 Consumer Experience Requirements for Windows ESD

For Windows 11 ESD products sold online, Retailer must include messaging on the product description or detail page and other webpages owned or controlled by Retailer, where appropriate, to inform End Users prior to purchase of the following:

- Instructions about how to download and install Windows 11 ESD Product; and
- Support contact information for the download process.

10. RECURRING BILLING PRODUCT TERMS

This Section 10 sets forth the supplemental terms and conditions that apply if a Partner or Reseller distributes Recurring Billing Products as defined below.

As a condition of distributing any subscription-based Microsoft product for which an End User provides a Retailer with a form of payment and agrees to allow the Retailer to debit such form of payment on an ongoing or renewal basis until cancelled (“**Recurring Billing Products**”), Partner and

Reseller will follow the below requirements, as applicable. All costs relating to the compliance with this Section 10 will be borne by Partner or Reseller, as applicable.

10.1 Technical Integration Requirements.

Partners and Resellers will meet and comply with technical integration requirements related to Recurring Billing Products as described below.

- (a) Partner will comply with Microsoft's Recurring Billing Partner technical onboarding specifications (e.g., the CIS-PB-Partner Technical Onboarding Specification), any Recurring Billing Partner program guides applicable to the authorized Recurring Billing Products (e.g., the Microsoft 365 Family Partner Billing Program Guide), and any additional technical specifications or guidelines provided by Microsoft.
- (b) Reseller will satisfy any systems integration and technical specification requirements and any program guides provided by Partner, Microsoft, or a systems integrator as applicable, prior to and as an ongoing condition of distributing Recurring Billing Products to End Users. In the event that Microsoft asserts that Reseller has not complied with Microsoft's integration and technical specification requirements or program guide terms, Microsoft will provide Reseller with written notice of the alleged breach, and an opportunity to cure such breach for a period of 30 days.

10.2 End User Purchase Experience Requirements.

Retailers will comply with the following End User purchase experience requirements when selling Recurring Billing Products to End Users.

- (a) Microsoft and Retailer will use commercially reasonable efforts to agree upon a marketing plan for the Recurring Billing Products not less than 30 days before launch or release of new Recurring Billing Products by Retailer. Such marketing plan may include attach or other similar mechanisms, A+ and brand detail pages, and category marketing placements. Any marketing investments or rebate programs implemented to support the marketing plan will be agreed to on a local basis as between Microsoft and Retailer and separately documented on a quarterly basis. Post-launch, if requested by Microsoft, Retailer will work in good faith with Microsoft, on a quarterly basis, to build marketing plans and review Retailer's performance and the End User customer experience for Recurring Billing Products.
- (b) Be solely responsible for all End User billing issues related to Recurring Billing Products.
- (c) Provide End User support contact information to Microsoft, including, without limitation, Retailer's End User support phone number and a friendly URL or email address so that Microsoft can provide the same information to End Users that contact Microsoft with questions that fall within Company's End User support responsibility; provided, however, that Retailer will not provide End Users with support other than provided here.

- (d)** Continue to provide End User billing support and make its End User billing support contact information available to End Users both pre- and post-purchase, at all times during the Term and for at least 1 year following the expiration of the Term. Retailer will be solely responsible for all refunds and returns that Retailer agrees to provide beyond this one-year time limit including costs associated with such refunds and returns. Microsoft shall have no obligation to refund Partner or Reseller in case a Recurring Billing Product's subscription is cancelled and/or Retailer is required to refund an End User due to a non-compliance by Retailer of its obligations towards the relevant End User.
- (e)** Prepare and deliver to End Users required Recurring Billing Product pre-purchase and post-purchase disclosures and notices and fully comply with applicable Laws, including but not limited to those regarding privacy, consumer protection, data protection, payments, and recurring billing and cancellation processes.
- (f)** In addition to Retailer's disclosure requirements above, Retailer will be solely responsible, in full compliance with applicable Law, to:

 - (1) Ensure that all End User notices, disclosures and communications relating to the Recurring Billing Products are prominent, clear, and conspicuous;
 - (2) Collect the End User contact information at the time of purchase to manage Retailer's billing (including recurring billing) and support obligations;
 - (3) Prior to purchase, clearly identify Retailer as the entity that is solely responsible for the sale and billing (including recurring billing) of Recurring Billing Product billing;
 - (4) Prior to purchase, clearly disclose to End Users the Retailer's contractual and billing (including recurring billing) terms and conditions of the Recurring Billing Product, including when and how the End User can cancel recurring billing and the End User's rights upon cancellation;
 - (5) Prior to purchase, obtain the End User's written consent to Retailer's contractual and billing terms and conditions, including consent to recurring billing;
 - (6) Prior to purchase, clearly inform End Users that, in addition to Retailer's contractual and billing terms and conditions, the use of the Recurring Billing Products sold by Subdistributor is subject to Microsoft use terms and provide such terms to the End Users;
 - (7) If Retailer initiates recurring billing independent of customer's product activation status, Retailer must:

 - i. Notify the End User about and provide instructions for any additional steps post-purchase that the End User must take in order to redeem the Recurring Billing Product; and

- ii. Deliver communications post-purchase to End Users who have not yet redeemed the Recurring Billing Product to remind them of the steps they need to take to redeem the Recurring Billing Product until they redeem, cancel or return the product.
- (g)** Implement any additional End User purchase experience requirements as reasonably requested by Microsoft.
- (h)** In the event Retailer's authorization to distribute Recurring Billing Products is terminated or expires and there remain End Users with Recurring Billing Products that have not yet expired as of such termination or expiration effective date, Retailer and Microsoft will work together in good faith to develop a transition plan for those End Users. The transition plan will include the responsibility for post-termination or post-expiration End User support, the substance and timing for End User communications, and the post-termination or post-expiration renewal options for affected End Users.

EXHIBIT 1: POSA & ESD PTR CHIT CARD PRODUCTION TERMS

1. Responsibility for Card Production

If agreed by both parties that Partner will manufacture POSA Cards or ESD PTR Chit Cards, Partner will be responsible for Card production according to the terms set forth in this Exhibit 1. Microsoft will create and provide to Partner any technical specifications required for Card production, including, without limitation, artwork design and content and materials and structural specifications (the “**Card Production Specifications**”), and Partner will manufacture and print the Cards according to such Card Production Specifications. Microsoft may change the Card Production Specifications from time to time at its sole discretion and with reasonable notice to Partner.

For POSA Card production specifically:

- Partner will use reasonable efforts to supply business intelligence on retail technical requirements to Microsoft, to help Microsoft provide Card Production Specifications that are relevant to the applicable market and retail partners.
- As necessary for POSA Card production, Microsoft will provide the information listed below, utilized in the activation process (“**Variable Data**”). Variable Data may include but is not limited to:
 - Tokens
 - SKU Details
 - Artwork
 - Product Specifications
 - EANs/UPCs
 - Part Numbers

Partner will provide reasonable notice to Microsoft of the supplier that it intends to use for POSA Card production. Microsoft must pre-approve the supplier prior to Partner commencing POSA Card production. Microsoft will have the right to conduct reasonable audits of Partner to verify that the POSA Cards are being manufactured and printed according to the terms set forth in the **Card Production Specifications and Microsoft color certification standards**. All audits will be conducted according to the audit terms set forth in the applicable Microsoft Agreement.

For ESD PTR Chit Cards, Partner will source the Cards from a Microsoft-approved Print Vendor. A current list of Microsoft-approved Print Vendors may be obtained from the Microsoft Software Manufacturing Contact.

2. Responsibility for Card Production Costs and Expenses

Microsoft will pay for all pre-approved costs related to Card production as per the tables below:

Table 2.1: Products sold to a Distributor

Product	Pre-approved card cost covered
Microsoft 365/Office	Yes
Xbox Subscriptions	Yes
Xbox Gift Cards	Yes
Xbox Games	Yes
Minecraft PC Products	Yes
Skype Products	Yes
Third Party Products	No

Table 2.2: Products sold to a Direct Retailer

Product	Pre-approved card cost covered
Microsoft 365/Office	Yes
Xbox Subscriptions	No
Xbox Gift Cards	No
Xbox Games	No
Third Party Products	No

If Microsoft is responsible for payment, Microsoft must pre-approve all Card quantities and costs prior to Card production. Microsoft will not in any event fund additional card production to replace existing cards in the event of a retailer change of distributor or service provider. Microsoft reserves the right to amend and update approval processes.

3. Card Production Payment Terms

Where applicable, Partner will invoice Microsoft for any Card production-related costs and expenses due under this Exhibit 1 via the MS Invoice online tool in accordance with the then-current requirements at <http://invoice.microsoft.com>, or via any successor tool specified by Microsoft.

Partner will not charge Microsoft for researching, reporting on, or correcting any errors relating to Partner's invoices. Invoices may be issued no more frequently than monthly in arrears for actual amounts due and will be paid by Microsoft on terms of net sixty (60)

days, or at Microsoft's option on terms of net ten (10) days less a two percent (2%) discount on the invoiced amount.

Microsoft may dispute, in good faith, any amounts contained in any Partner invoice by providing notice to Partner in writing (the "**Microsoft Dispute Notice**") within ninety (90) days after the applicable invoice (the "**Microsoft Dispute Notice Period**"). In the event Microsoft disputes any amount contained in a Partner invoice, Microsoft may withhold payment to Partner for amounts so disputed but will pay all undisputed amounts. Partner will use reasonable efforts to resolve and communicate its position concerning the dispute to Microsoft within sixty (60) days after its receipt of the Microsoft Dispute Notice. The parties will cooperate to determine whether each Microsoft dispute should be resolved in favor of Microsoft or Partner. All disputed amounts that Microsoft subsequently agrees in writing to pay, or that are required to be paid pursuant to a final court order or award from any mutually submitted arbitration, will be paid on the payment terms set forth in this subsection. Any amounts not disputed in writing within the Microsoft Dispute Notice Period will be deemed undisputed, due and owing.

To the extent the payment or other terms in this Exhibit 1 conflict with the Agreement, the terms in this Exhibit 1 will control for purposes of Card Production.



Microsoft Digital Operations Resource Guide



Digital Operations Resource Guide
Microsoft and Partner Confidential

Version 3.0

Document Change Log

The change log below is provided for convenience only to highlight some of the substantive revisions and is not meant to represent all of the changes that have been made to the Guide. Each party receiving this notice is solely responsible for reviewing the updated Guide in its entirety.

Date	Version	Description of Substantive Changes
7/1/2022	3.0	<ul style="list-style-type: none"> • Section 1 Update reservation of rights for Guide update cadence • Section 1.1 Technical Onboarding alias updated (didstonb@microsoft.com) • Section 1.1 Update Technical Onboarding Portal overview • Section 1.4 Added: Valid SSL Certificate Requirements • Section 2.1 Removed price list effective date specification of US Pacific Standard Time • Section 2.4.1 Support tool updated to Technical Onboarding Portal; link added to access • Section 2.4.2 Added: Return of Redeemed Microsoft 365 Codes • Section 4.2 Updated alias (POPRelSup@microsoft.com) for ESD Forecasting notification • Section 5 Reporting methods updated • Section 7 Technical Onboarding Portal reference updated • Section 8.1 Technical Onboarding portal link added • Section 8.4 Support Alias removed, redirected to Appendix 1 • Section 8.4 Technical Onboarding Portal Access added to reference table • Section 8.6 Updated alias inserted (OSOC@microsoft.com) for End User Product-Specific Queries
7/1/2021	2.5	<ul style="list-style-type: none"> • Section 1.2 Updated Security Requirement Support Information • Section 1.3 Sustainability requirements- new section added • Section 2.1.4 Getting Started with the MPC Portal - New MPC Letterbox account request template added • Section 2.4.1 Correct alias inserted (Dscsup@microsoft.com) • Section 3.4 Payment Processing – amended SLA from 24 to 48 hours • Section 4.1 POSA Forecasting – Forecast justification – last paragraph added • Section 5.1 Minor change to wording. • Section 6.2 POSA Product Testing - White Card Testing – First paragraph re-worded • Section 7.10 POSA Process Ordering Reconciliation - new section added • Section 8.1 Digital Platform Order errors – added wording to clarify error code versioning • Section 8.2 Unfulfilled Requests – added a line to include Client Transaction ID requirement • Section 8.4 Major Incident Support – Partner Onboarding Portal hyperlink added

- Section 9.1 General Query Management – List of query types amended

7/1/2020

2.0

- Updated Section 2 Products and Price Lists to include General Policy for Price lists and Price List Updates
- Updated Section 8 Post-Launch Technical Support to include specific criteria to support technical queries
- Updated Section 9 Post-Launch – Partner Query Management to consolidate Digital Operations Support contacts to one WW alias

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1. INTRODUCTION

Welcome to the Microsoft Digital Operations Resource Guide (ESD and POSA) (the “Guide”).

This Guide provides a high-level description of the operational support available to Partner or Company via Microsoft’s Digital Platforms. The intent of this Guide is to assist Partner, as a requestor of Digital Fulfilment (includes Codes/Product Keys/ Tokens), and to promote a clear understanding of shared processes between Partner and Microsoft.

All references to “Partner” herein shall mean an entity that has signed an Agreement with Microsoft, or an Affiliate Agreement with a Microsoft Affiliate, that is subject to this Guide. “Partner” also means “Company” as defined in the Global Partner Agreement for retail partners.

This Guide is incorporated into and forms a part of the Agreement. Any defined terms used in this Guide will have the same meanings as in the Agreement or Product Terms Guide, unless separately defined herein.

Microsoft reserves the right to update this Guide periodically, as set forth in the Agreement.

1.1 Technical Onboarding Portal

In addition to this Guide the Partner will also be provided access to Technical Onboarding Portal, which describes functional specification requirements and how to access Microsoft’s tools and services to enable digital distribution selling via API technology

Any additional documents referenced in this Guide are available on the Technical Onboarding Portal.

The Microsoft Launch PM will provide access to this portal. To request access, please send an email entitled “Access to Technical Onboarding Portal” to didstonb@microsoft.com. Please include Partner company name, the username(s), and their company email address(es) and copy your Microsoft Partner Account Manager on this email.

1.2 Security Requirements

Partner must adhere to Microsoft’s security requirements, outlined in Microsoft’s Supply Chain Security Policies and Requirements, available to users outside of Microsoft via the One Trade Portal. To access this information, please request a One Trade portal account by emailing your Microsoft Account Manager. After obtaining access to One Trade portal, Partner will be able to access the Supply Chain Security Policies and Securities at: <http://aka.ms/supplychainsecurity>.

1.3 Sustainability Requirements

As detailed in the Microsoft Supplier Code of Conduct 2020, there is a clear requirement on Microsoft suppliers to ensure environmental protection and compliance.

ENVIRONMENTAL PROTECTION AND COMPLIANCE Microsoft recognizes its social responsibility to protect the environment. We expect Suppliers to share our commitment by responding to challenges posed by climate change and working toward protecting the environment. As a part of this commitment, all Microsoft Suppliers must, without limitation:

- Comply with all applicable environmental laws and regulations, including but not limited to laws and regulations that regulate hazardous materials, air and water emissions, and wastes and laws, regulations, and customer requirements regarding the prohibition or restriction of specific substances in manufacturing or product design.
- Supplier agrees to conform to all Microsoft requirements regarding product and packaging labelling, material content, and recycling, and disposal as directed by Microsoft in their business contracts.
- Obtain and maintain all required environmental permits, regulatory approvals, and registrations.
- Prevent or eliminate waste of all types, including water discharges and energy losses, by implementing appropriate conservation measures in Supplier facilities through (1) the use of conservation-minded maintenance and production processes, and (2) by implementing strategies to reduce, reuse, and recycle materials (in that order), whenever possible, prior to disposal.
- Identify any chemicals or other materials that may be released, and which may pose a threat to the movement, storage, use, reuse, recycling, and disposal.
- Suppliers must disclose complete, consistent, and accurate scope 1, 2 and 3 greenhouse gas (GHG) emissions data and/or components required to calculate GHG emissions data, via CDP or an alternative method that Microsoft will provide. If requested by Microsoft, suppliers must provide plans to reduce greenhouse gas (GHG) emissions in alignment with Microsoft's requirements. The timing of supplier conformance to this requirement may be determined by Microsoft standards and requirements that are set forth in their contract with Microsoft.

This is all very relevant and essential in relation to manufacturing of products to support Microsoft business models. In this case the production and management of Point-of-Sale Activation (POSA)/Print to Receipt (PTR) and Code 2 Content (C2C) cards, Microsoft would expect Suppliers to:

- Reduce the use of plastics in this process and especially single use plastic.
- Use sustainable paper and recycled material where possible. It is Microsoft intent to require FSC (Forest Stewardship Council) certification in relation to paper providers.
- Ensure to limit the level of packaging on the products.
- Do business with a clear goal to reduce, reuse and recycle while limiting the carbon emissions created in the process.

1.4 Valid SSL Certificate Requirements

IMPORTANT: To avoid loss of service, Partner must adhere to SSL certificate requirements. X.509 certificates are used to authenticate connectivity between MSFT and the Partner/Disti clients. Without a valid certificate, all API calls will fail. SSL certificates are procured by the partner from a member of the Microsoft Root Cert Authority Program – details can be [found here](#). See further details below:

- Certificates are typically valid for 12 months at which stage the partner will need to procure a new cert and send it to Microsoft for renewal.

- Microsoft will begin sending reminders to Partner Technical Contacts 6 weeks from certificate expiry date.
- Please send the public key only to: didstonb@microsoft.com. Rename the .cer file to .txt before attaching to the email and specify the channel that needs the new certificate.

2. PRICE LIST & PRODUCTS

2.1 Price List Policy, Updates and Access

2.1.1 Price List General Policy

- Microsoft Price Lists are Microsoft confidential and must not be disclosed to parties outside of Partner's organization.
- Microsoft will provide Partner access to a Microsoft Price List from which Partner can see Product prices by purchase currency and SKU.
- Microsoft Price Lists contains future orderable, active, and potentially obsolete Product SKUs.
- Microsoft reserves the right to offer, without prior notice, temporary "special" prices on any or all Product.
-

2.1.2 Price List Updates

- Prices are set forth on Microsoft Price Lists, which will be published on the 1st and 15th of each calendar month. Microsoft reserves the right to publish an out of cycle Price List.
- Microsoft reserves the right to modify the Price List immediately and without prior notice, including to adjust for errors, currency fluctuations, updates based on Partner agreements or other market developments.
- With respect to any errors or omissions relating to the pricing of Product and services shown on the Price List, Microsoft will correct any such errors or omissions as soon as reasonably possible. Microsoft will not be liable for any Partner fees or surcharges relating to inaccurate information on the Price List or on the Partner setup forms based on Price List information.

2.1.3 Price List Access via Microsoft Partner Connect

Microsoft provides Price List access, via the Microsoft Partner Connect (MPC) portal, that contains all potentially available electronic software Products within the contracted region. Partner may only sell the Products that:

1. Are listed on the Price List
2. They are authorized to sell in the Agreement; and
3. Are listed on the GetCatalog feed from CIS.

If the foregoing conditions are not met with respect to a Product, Partner is not authorized to sell or distribute such Product to End Users or Retailers. The Microsoft Partner Connect Portal can be accessed at <https://www.microsoftpartnerconnect.com>.

If Partner has questions about Product resale/distribution authorization and/or Product availability, Partner should contact their Microsoft Partner Account Manager.

The MPC Portal also has a link to the Letterbox application on the Microsoft Partner Connect site. Letterbox is used for sending files to the partner in a secure manner. The partner transaction reports (reconciliation files) will be dropped into letterbox on the 3rd of the Month for the previous month. Pricelists will never be shared here or via email.

2.1.4 Getting Started with the MPC Portal

Partner should work with their Microsoft Launch PM or contact the Microsoft Digital Support Team (see Section 9.2 for contact details) to obtain access to the MPC Portal. Please provide the following details for any user who will need access to the portal.

New MPC Letterbox account request	
Required Information	User
First and Last name	
Company Name	
Job Title	
Email Address (Live ID/Microsoft account)	
Phone Number	
Country	
Language	
Application Needed (Letterbox/Pricelist)	
Permission/s needed (Specific Account for which access is required): SOLD TO or provide user accounts that we can clone permission	
Country of the Sold To which access is required	

Microsoft will send a welcome email with instructions on how to initialize the MPC Portal Account.

2.1.5 Available Currencies

Please note that Microsoft offers Price Lists in the following currencies only:

Currency Code	Currency
BRL	Brazilian Real
CAD	Canadian Dollar
USD	US Dollar
AUD	Australian Dollar

CNY	Yuan Renminbi (Chinese Yuan)
INR	Indian Rupee
JPY	Japanese Yen
KRW	Korean Won
NZD	New Zealand Dollar
TWD	New Taiwan Dollar
CHF	Swiss Franc
EUR	Euro
DKK	Danish Krone
NOK	Norwegian Krone
SEK	Swedish Krona
GBP	Pound Sterling
RUB	Russian Ruble

2.2 New Products

Microsoft will work with Partner to validate that newly on-boarded Products are set up and prepared for sale appropriately. See Product Onboarding Quality Assurance section below.

For each Product on-boarded, and at its own expense, Partner may choose to validate that software components are “End User ready” by simulating the End User install and activation process.

Please Note: Partner is responsible for all costs associated with production validation testing, unless testing is requested by Microsoft in writing.

New Products may have additional requirements such as but not limited to CIS Technical Changes, BackUp Media, additional terms and conditions, etc.

If the Partner has questions about Product resale/distribution authorization and/or Product availability, the Partner should contact their Microsoft Partner Account Manager.

2.3 Product Discontinuation

Microsoft may discontinue Product SKUs at its discretion. The date on which a Product SKU must be discontinued will be communicated to Partner via email or will be indicated systematically via Partner’s Price List.

Per Microsoft guidance, Partner must stop ordering the discontinued Product SKU from Microsoft on the date indicated.

2.4 Approved Deactivation Process for Eligible Returns of ESD Product

For information about the Approved Deactivation Process and the ESD Return Token API, please refer to the [Technical Onboarding Portal](#).

2.4.1 Compromised Codes

At its discretion, Microsoft may allow for the return of Codes arising from instances of fraud. If Partner believes they were a victim of such fraud, they can submit a request for Code blacklisting (deactivation) by following the process described below:

Process for Tokens accepted through the ReturnToken API

- The Approved Deactivation Process using the ESD Return Token API is the quickest way for Partner to attempt to deactivate and be credited for compromised Codes. This method is preferred over the manual method outlined in this section below. Partner needs to make individual calls to the Return Token API to attempt to deactivate and return each compromised Code separately. Additionally, an email should be sent to dscsup@microsoft.com summarizing the fraudulent transactions that are submitted through the ESD Return Token API so that Microsoft can track fraud returns separately from non-fraud returns. This email summary should only be used in conjunction with the ESD Return Token API. For all other fraudulent Code deactivation requests, please use the manual process described below.

Process for Tokens not accepted through the ReturnToken API

1. Fill out the Fraudulent Request template. This template may be provided by the Microsoft Operations Account Manager and is also available on the [Technical Onboarding Portal](#).
2. Send the template to DSCSUP@microsoft.com – Microsoft will acknowledge receipt.
3. Applicable SLA: 2-5 business days.
4. Microsoft may issue a credit to Partner for any Unredeemed Codes that were successfully deactivated. The credit will be issued as part of the next applicable billing cycle.

2.4.2 Return of Redeemed Microsoft 365 Codes

Unless otherwise required by applicable law, the below return policy applies to Redeemed Codes for Microsoft 365 Auto-renewal 12-Month subscription where both the initial sale and subsequent renewals are solely transacted by such Partner (“**Partner-billing Partner**”).

Redeemed Codes are only eligible for Partner-billing Partners facilitating the return and credit of the Microsoft 365 Auto-renewal 12-Month subscriptions that are both eligible for return and successfully returned to Partner via the Approved Deactivation Process within the Digital Product Return Period.

This process requires Partner to execute the CancelSubscription API within 30 days of the return to submit a request for deactivating a Redeemed Code associated with the ESD Product that was returned. In a subsequent billing cycle, Microsoft will process a credit for a Product Code that has been confirmed to be deactivated in connection with such return. Credits under this section may be subject to reporting requirements and Microsoft reserves the right to limit, cap and/or stop credit issuances.

Please Note:

- Codes that have been redeemed by End Users cannot be deactivated/credited.
- Microsoft reserves the right to limit, cap and/or stop credit issuances if it deems Partner systems and/or processes are inadequate.

2.5 Geographic Restrictions

The Product SKUs offered on the Price List vary by region. End Users should not be able to purchase offerings that are not available for their country/region. If Partner sells in multiple region/countries, Partner must only present Products (including via website, kiosk, etc.) that are valid in the End User’s region/country.

2.6 Notice to Cease Distribution for Product Recall and Other Events

In the event Microsoft issues Partner a notice to cease distribution under the Agreement for either a Product Recall or non-Product Recall event, Microsoft will inform Partner, identify the impacted Product(s) and issue instructions to Partner on how to cease distribution and marketing of the affected Product(s).

POSA Product Recalls require Partner to destroy any on-hand inventory of POSA Cards. Partner is authorized to use one of the following options to dispose of their remaining POSA Cards:

- Destroy at Partner's location; or
- Destroy by third party destruction vendor.

2.6.1 Requirements for Destruction

The following requirements apply to the destruction of POSA Products:

- POSA Products must be destroyed in such a manner that the Serial Number and PIN cannot be read or scanned; POSA Cards should be torn or cut through the bar code.
- POSA Products should not be included in any RMAs and should not be returned to the Microsoft Returns Vendor.
- Partner must maintain a certificate of destruction on record of destroyed Product, signed by Partner's authorized representative, identifying the Microsoft SKU for the Product destroyed, and the number of units destroyed.
- Partner is solely responsible for complying with any applicable laws relating to the destruction of Product.

3. BILLING AND PAYMENTS

3.1 General Billing

Orders/returns are processed on our CIS digital platforms, which is the system of record used to create billing documents.

There are two Microsoft models for billing Products.

- In the Buy/Sell billing model, Partner is the seller of record. Microsoft will issue an invoice to Partner indicating the list price and the total due to Microsoft. This is a tax invoice.
- In the Agency billing model, Microsoft is the seller of record. For all Skype Products sold outside of the US, Skype will be the seller of record. Microsoft will issue a request for payment (RFP) indicating the Estimated Retail Price and the total due to Microsoft. This is not a tax document. Microsoft will also issue a Self-Bill Invoice to Partner for the commission paid by Microsoft to Partner. This enables Partner to fulfil their tax obligation to the appropriate tax authority.

Billing can be completed on either a daily or monthly frequency. Billing is based on Coordinated Universal Time (UTC).

- **Daily:** Partner will be billed daily, on the day after the transactions were completed. Summary invoicing is the preferred invoicing method for all partners and is required for EDI enabled Partners. Partner can optionally pass a PO number to Microsoft for a transaction or group of transactions. For each day, orders that have the same customer PO number will be aggregated onto the same invoice and returns that have the same PO number will be aggregated onto the same credit note. For each unique PO number passed, an invoice/credit note will be generated.
- **Monthly:** Partner will be billed monthly using a Summary Invoice, on the first day of the month after the month in which the transactions were completed. The Summary Invoice will be dated the last day of the billing period. The PO number displayed on a Summary Invoice will be one of the PO numbers passed during the month (if passed by Partner). There will not be a separate Summary Invoice per Partner PO number. In the same way, a Summary Credit note will be issued for all Returns. With respect to Skype Products sold outside of the US, Partner will be billed within fifteen (15) days after the end of the month in which the transactions were completed. The PO number displayed on a Summary Invoice will be one of the PO numbers passed during the month (if passed by Partner). There will not be a separate Summary Invoice per Partner PO number. In the same way, a Summary Credit note will be issued for all returns.

3.2 Billing Documents

Billing documents will align to the business model and billing frequency Partner is using. Partner will receive either Daily or Monthly documents.

Business Model	Billing Document	Frequency
Buy / Sell	Invoice	Daily
	Credit Memo	Daily
	Summary Invoice	Monthly
	Summary Credit	Monthly
Agency	Request for Payment	Daily
	Self-Bill Invoice	Daily
	Request for Payment Credit	Daily
	Self-Bill Credit	Daily
	Request for Payment Summary	Monthly
	Request for Payment Credit Summary	Monthly
	Self-Bill Invoice Summary	Monthly
	Self-Bill Credit Summary	Monthly

All Billing Documents:

- Call out the Payment due date
- Include a Document Number – to be referenced for Payment to Microsoft
- Are at the stock keeping unit (SKU) level
- Include all Product types transacted by Partner in the same document; and
- Are e-mailed in PDF format to Partner (except for Partners who have implemented EDI messaging for their billing documents, save for Skype Products, that shall be e-mailed in PDF format).

If any terms on Partner's account change during a billing period and Partner is on monthly billing, a second billing document will be generated for that period: one covering the time period before the change and the second covering the time period after the change.

Samples of each document will be provided during the on-boarding process.

Billing Documents are a consolidated view of orders and credits over the billing period. To facilitate reconciliation of the billing documents a transaction level excel report will be uploaded to your Letterbox account. This report has the daily transaction level information and should be used as supporting documentation to your billing documents.

Please note: This is our standard billing process. Partners may experience differences in this process due to regional/model variations.

If Partner has questions regarding billing and/or payments, Partner should contact their **Microsoft Global Digital Support Team**. Please see contact details Section 9.2, or in the case of Skype Products, email receivables@skype.net.

3.3 Payments

All payments to Microsoft by Partner must be made either:

- By electronic funds transfer through an Automated Clearinghouse (“ACH”) wire transfer with electronic remittance detail attached; or
- By remittance, per the instructions appearing on each Microsoft Invoice.

Please refer to the Partner’s current billing document for payment information, including Payment Address. If payment information is not present, Partner should contact their **Microsoft Global Digital Support Team**. Please see contact details Section 9.2. With respect to Skype Products sold outside of the US, payment instructions, bank account details and address will be included in each invoice to Partner. Payment details for Skype is at the end of this document.

3.4 Payment Processing

Payments received into a Microsoft Bank Account will be posted into Partner’s account against the indicated document number within 48 hours. Payments must reference the Microsoft document number(s) that they cover.

With respect to Skype Products sold outside of the US, payments received into a Skype Bank Account will be posted into Partner’s account against the indicated document number at the end of the month in which the transactions were completed. Payments must reference the Microsoft document number(s) that they cover.

4. FORECASTING

4.1 POSA Forecasting

Partner should engage with their Microsoft Partner Account Manager to ensure POSA demand is forecasted.

For POSA Distributors, a forecast must be submitted for all indirect Retailers for approval by Microsoft using the agreed process in region. Microsoft may require additional justification before approving the volumes requested. Once Microsoft has approved this forecast the PO is placed by the Microsoft Manufacturing Contact, directly on the POSA Distributor or on the Microsoft Approved Print Vendor, whichever is applicable in region.

Microsoft may require additional justification before approving the volumes requested. Justification for forecast can and should include details of promotions and launches, plus the number of stores to receive cards and pegs per store. Information may also be requested in terms of sales of the product since the last forecast review and PO request.

4.2 ESD Forecasting

If an increase in token requests is foreseen in a given period (Partner event/promotion) causing an unusual spike in ESD sales, Partner should notify Microsoft 14 days in advance with SKU and volume of increase to avoid any unforeseen issues arising. Notification should be sent to POPRelSup@microsoft.com.

5. REPORTING

5.1 Reporting Methods

Partner must use a Microsoft approved method to report weekly sales to Microsoft. Methods include, but are not limited to, EDI, CDR, and other reporting services.

Weekly reporting is required for all Microsoft sales transactions (daily-level detail is preferred and may be transmitted on a weekly basis). If Partner has more than one sales location, electronic reporting will be on a sales location basis, by SKU number, and include location designation (name and number), street address, city, and postal code for each sales location. Partner's online store(s) will be considered a "sales location" separate from Partner's physical store locations and will require separate reporting. Partner can drop files on any day within the current weekly reporting period. Partner must complete all required fields on the reporting form with the appropriate data, and the data reported must be complete and accurate. Any corrections to Partner reporting that Microsoft may request must be made by Partner within 10 days.

For questions regarding sales reporting file transmissions, technical or any other general business questions, please contact your local Account Manager.

6. PRODUCT QUALITY ASSURANCE DURING ONBOARDING

6.1 ESD Product Testing

Specific testing scenarios are set forth in the Technical Onboarding Portal and a test plan will be mutually agreed upon by the parties. Any such testing shall be for Product types that have not previously been tested. After completion of testing, Microsoft will promptly notify Partner of the results of such testing. If Partner fails such testing, Partner will promptly remedy any deficiencies and notify Microsoft to re-validate.

If Partner makes system changes after completion of testing, Partner will notify Microsoft, who will determine in its sole and reasonable discretion if additional testing is needed because of the change. Once approved, Partner shall not modify its End User experience without first notifying Microsoft, and Microsoft shall have the right to review and approve the End User experience.

Upon Partner's reasonable request to facilitate Partner's testing obligations under this Section, Microsoft will provide Partner with test SKU's/Codes in the test environment. Partner may not offer ESD Product, or the related Codes until Microsoft has approved the outcome of the testing for such ESD Product.

6.2 POSA Product Testing - White Card Testing

White Card testing is required on all new POSA Product and Partner launches. A White Card simulates a production Card in the live environment. POSA White Card testing must be completed prior to manufacturing a production Card of the same Product, unless specific approval from Microsoft is received to trigger production without White Testing. In such a case shipment of cards becomes the final checkpoint whereby White testing must be confirmed before shipment approval is granted by Microsoft. Microsoft reserves the right to audit or revise this process at any time.

A POSA Distributor must coordinate creation of POSA White Cards to test the connection between all indirect Retailers and Distributor to ensure all systems are functioning properly and there are no issues with new SKUs or Partner systems.

A POSA Retailer will receive a POSA White Card from the Authorized Technical Partner/Microsoft Approved Card Manufacturer to test to ensure all systems are functioning properly and there are no issues with new SKUs or Retailer systems.

6.3 POSA Activation and Redemption Testing

Activation and Redemption testing is required for all new POSA Product launches. POSA samples (x2) are sent to Microsoft from Microsoft's approved Card manufacturer, as per agreed process. These are required for Activation and Redemption Testing Approvals.

The Microsoft Manufacturing contact sends Partner a request, via email, for POSA Cards to be activated. The POSA Partner is given a shared location for activation and redemption requests. The POSA Partner (via the Authorized Technical Partner) activates the requested Codes, updates a spreadsheet, and confirms via e-mail to the Microsoft Manufacturing contact that the action has

been completed (SLA - 24hrs). The activated Code is then redeemed to ensure that the correct 5x5 Code is tied to the redeemed offer. Once activation and redemption have been approved by the Microsoft Manufacturing contact, the POSA Cards are eligible for shipment.

Microsoft may require additional testing from time to time, details of which will be specified by the Microsoft Manufacturing contact.

POSA Redemption Issues – any testing issues relating to activation and redemption of Codes should be escalated to Partner’s Authorized Technical Partner (if applicable) or Microsoft Manufacturing contact for resolution.

7. ORDERING

7.1 ESD PTR Channel Fill Orders

If Partner is approved for PTR distribution (Print to receipt), initial orders for PTR cards will be determined jointly between Partner and Microsoft Partner Account Manager. Card production should be sourced from a Microsoft Approved Print Vendor. The Microsoft Partner Account Manager will approve card quantities and costs following a cost review.

7.2 ESD PTR PO Request Process

If a purchase order is required by PTR Partner and the request is being directed to the Devices Supply Chain Team at PTR Global Request ptrorders@microsoft.com, the following applies:

1. The Microsoft Partner Account Manager will submit a PTR PO request template to the Microsoft Manufacturing contact on behalf of the partner.
2. Following Microsoft approval of card quantities and costs, the Microsoft Manufacturing contact submits the "PO Request Template" to the Approved Print Vendor for processing.
3. Naming convention: the PO Request template must be renamed to reflect the PTR card order and, where applicable, include the following:
 - ✦ Sample Naming Convention: PTR Indirect Channel Fill DE
 - ✦ Partner name and address
 - ✦ Line of Business, i.e., Xbox, Office,
 - ✦ Card Qty, SKU Number/Desc, Language, Retailer Name, Retailer UPC/EAN (if required)

There is no proofing cycle for PTR cards. A digital proof can be supplied if required but print runs will commence without any approval stage.

Shipping of PTR cards will be to Partners central warehouse. This process does not enable retailer or outlet level shipping.

For POSA integrators who are also approved for PTR distribution, the PTR PO Request Template is to be approved at local level and submitted by POSA integrators to Microsoft Manufacturing Contact using this alias PTROrders@microsoft.com.

ESD PTR PO template and process can be accessed via the Technical Onboarding Portal.

7.3 ESD PTR Replenishment Orders

Partner is expected to maintain a safety stock inventory of at least 2 weeks or more, and Microsoft recommends that replacement orders are made at least 3-4 weeks before inventory is depleted.

7.4 POSA Channel Fill Orders

Initial orders for POSA Products will be determined jointly between Partner and Partner's Microsoft Partner Account Manager. A volume multiplier, agreed upon between Partner and Partner's Microsoft Partner Account Manager, will be added to the request to reduce the impact of shrinkage on channel fill.

In the indirect model, the POSA Distributor will place the order, once approved via the forecasting process, with their Microsoft Manufacturing contact. The POSA Distributor will then place the order with the Microsoft-approved POSA Card manufacturer. If agreed by both parties that Distributor will manufacture POSA Cards Distributor will do so in compliance with the Card Production Terms.

For direct Partners, the order will be managed and sourced through the Microsoft Supply Chain. Orders will be delivered to Retailer based on their agreed upon supply chain model.

7.5 POSA PO Request Process (for POSA Distributors Only)

If a purchase order is required by POSA Distributor, the following applies:

1. The Microsoft Manufacturing contact will share the POSA PO request template with Distributor and provide training about this process.
2. Following receipt of an RFQ from POSA Card Manufacturer, POSA Partner submits a "PO Request Template" and RFQ document received from POSA Manufacturer to the Microsoft Manufacturing contact for approval.
3. Naming convention: the POSA PO Request template must be renamed to reflect the POSA order and, where applicable, include the following:
 - ✦ Sample Naming Convention: POSA Xbox Gift Card Indirect Channel Fill DE
 - ✦ Line of Business, i.e., Xbox, Office, Windows
 - ✦ Language to be included: country code is acceptable, e.g., DE in place of Germany; and
 - Reference whether the order is for channel fill or White Cards.

Note: Naming convention must be adhered to, as the document is uploaded to the Microsoft PO Invoicing tool, and detail is required for billing purposes. If any of the information is incorrect or missing, the Microsoft Manufacturing contact will return the quote to Partner for correction. Once this approval is confirmed, the PO process is kicked off, allowing Card manufacturing to commence.

7.6 POSA Replenishment Orders

Partner is expected to maintain a safety stock inventory of at least 4 weeks or more, and Microsoft recommends that replacement orders are made at least 6-8 weeks before inventory is depleted. In the indirect model, POSA Distributors manage inventory levels based on their individual agreements with Retailers.

7.7 POSA Unauthorized Product Requests

Microsoft will not fulfil a Product request if the POSA Partner has not been authorized to request the offer. The most common causes for this are a POSA Partner requesting a SKU that is no longer available or requesting a SKU that is not available in the country/region associated with the requestor (e.g., a POSA Partner in France requesting a U.S. Product).

7.8 POSA Order Limits

As part of its risk management strategy, Microsoft reserves the right to limit the amount of POSA Product Partner may receive within a specified period of time.

7.9 POSA Order Cancellation

Once an order is placed for POSA Product, Partner may cancel an order before it has shipped. Orders may be cancelled through EDI or MPC (dependant on order placement method). Additional costs for cancellation may be incurred if the order has shipped from the Microsoft Distribution Center.

7.10 POSA Process Ordering Reconciliation

As detailed in the Microsoft Security P&R and in the Supplier Code of Conduct 2020, there is a clear requirement on Microsoft suppliers to protect Data and IP. In this process there is a critical data item in relation to the product activation codes.

As such this product activation codes should be considered as PROTECTED INFORMATION & INTELLECTUAL PROPERTY.

Microsoft Suppliers will respect intellectual property rights, protect confidential information, and comply with privacy rules and regulations. All Microsoft Suppliers must, without limitation:

- Microsoft will expect suppliers to maintain records in order to be able to reconcile all codes pulled and used in their processes with PO's confirmed by Microsoft.
- Supplier should be able to account for the usage, deployment and scrap of all codes.
- There should be a clear tracking of PO receipt to code order and card production where the codes are consumed.
- The consumption of codes at activation should be consistent with the codes ordered and produced on cards.

Microsoft can ask supplier to demonstrate the control and manage of the process in relation to codes ordered by them in line with approved pos.

Microsoft expects supplier to cooperate with Microsoft compliance efforts and reconciliation of IP within the process as well as mapping to PO's, card production, activation and invoicing to Microsoft.

8. POST-LAUNCH TECHNICAL SUPPORT

8.1 Digital Platform Order Errors

If an error is received when ordering product codes or calling any digital API, please refer to the Technical Onboarding Portal for troubleshooting information. It is important to note that error codes may be updated on the Technical Onboarding Portal without notice. Always refer to the online version for the most up to date list before contacting the support team. In cases where the issue is not resolved by consulting the [Technical Onboarding Portal](#), Partner should contact the DSC support team DSCSup@microsoft.com for support.

DSC Support require the following detail for trouble shooting:

- Channel Name
- Channel SKU
- Serial Number (where applicable)
- Transaction ID
- Date and Timestamp
- Microsoft issued error response message and response code
- Screen shot (where applicable)

8.2 Unfulfilled Requests

In the unlikely event that Partner submits a valid request and does not receive the Product from Microsoft, Partner should refer to the Technical Onboarding Portal for troubleshooting information and escalation contacts at Microsoft. Any disputes resulting from unfulfilled requests should be addressed to the Partner's Microsoft Operations Account Manager. Partner should always record the Client Transaction ID's for all transactions to enable Microsoft investigation.

8.3 Damaged Codes

Partner shall promptly report any damaged POSA/ESD Products or Codes to Microsoft and shall not sell or resell any such damaged POSA/ESD Products or Codes to any third party.

8.4 Major Incident Support

In the event of a major incident Partner should engage OneStore Operations Center support. The Major Incident process is designed to resolve issues which have severe negative impact to Partner

and Microsoft business as quickly as possible. See Appendix 1 for Support Team and Contact Information.

Situation	Support Team & Contact Information
Major Incident*	<p>OSOC (OneStore Operations Center)</p> <p>Complete email template: Microsoft Partner Major Incident ESD or POSA Insert Title of Incident Here.msg</p> <p>And send to: osoc@microsoft.com</p> <p>+1 (425) 538-9336 (Utilize for all countries)</p>
Minor Incident, System & SKU-Related Questions*	<p>CES Support: DSCSup@microsoft.com</p>
Billing/Reconciliation/Invoicing Question*	<p>OEM Partners:</p> <p>Call Logging Tool https://clt.partners.extranet.microsoft.com/CLT or via Explore.ms</p> <p>Retail Partners:</p> <p>Microsoft Digital Queries Team: Global DigiOps@microsoft.com</p>
Microsoft Partner End-Customer Redemption/Download/Install Issues	<p>Microsoft Customer Service: support.microsoft.com/contactus/</p>
Replacement X.509 Certificates	<p>Please send the public key only to: didstonb@microsoft.com</p> <p>Rename the .cer file to .txt before attaching to the email and specify the channel that needs the new certificate.</p>
Technical Onboarding Portal access	<p>To request access, please send an email entitled "Access to Technical Onboarding Portal" to didstonb@microsoft.com. Please include Partner company name, the username(s), and their company email address(es) and copy your Microsoft Partner Account Manager on this email.</p>

8.5 End User Product Code Delivery Issues

Partner is responsible for final delivery of the Code to the End User, regardless of the delivery method chosen by Partner or End User. Codes that are successfully delivered to Partner but are not successfully delivered to End User are expected to be supported by Partner's customer service department. If Partner's End User calls Microsoft with an issue, Microsoft will refer them to Partner's customer support center.

8.6 End User Product-Specific Queries

The point of contact for Product queries from End Users is Microsoft Customer Service.

Microsoft Customer Service Contact telephone numbers for all countries are listed at this location: <http://support.microsoft.com/gp/customer-service-phone-numbers>.

Alternatively, customers may search online for assistance and, if necessary, speak to someone in Microsoft Customer Service using the information provided here: <http://support.microsoft.com/>.

Queries supported by the Microsoft Customer Service team include:

- Redemption of Product Code
- Inability to install Product correctly
- Microsoft Account issues related to Product installation
- Language issues with installing a Product

Please Note: If Partner experiences a high number of customer escalations regarding non-functional Codes, they should contact OSOC@microsoft.com with Microsoft Account Manager on copy.

9. POST-LAUNCH – PARTNER QUERY MANAGEMENT

9.1 General Query Management

General Partner queries is managed by the **Microsoft Digital Support Team**. This team will handle questions related to:

- Invoicing
- Query Management
- Billing
- Invoicing
- Crediting
- Reconciliation Reporting
- Partner Onboarding
- Partner Offboarding
- Master Data Maintenance
- Creation of Access for Digital Tools

9.2 Query Management Contacts

To contact this team with general queries, please email digiops@microsoft.com

NOTE - For use by Microsoft Partners and Distributors ONLY. These contact details should not be provided to Resellers or to End-customers

Payment Addresses: Skype only

USD	Account Name	Skype Communications SARL
	Bank Name	Citibank London
	Account Number	13142612
	Swift Code	CITIGB2L
	IBAN	GB 72 CITI 1850 0813 1426 12
	Sort Code	18-50-08
	Corresponding Bank	Citibank London
	Corresponding Swift / BIC Code	CITIGB2L

EURO	Account Name	Skype Communications SARL
	Bank Name	Citibank London
	Account Number	13142590
	Swift Code	CITIGB2L
	IBAN	GB 84 CITI 1850 0813 1425 90

	Sort Code	18-50-08
	Corresponding Bank	Citibank London
	Corresponding Swift / BIC Code	CITIGB2L

GBP	Account Name	Skype Communications SARL
	Bank Name	Citibank London
	Account Number	13142604
	Swift Code	CITIGB2L
	IBAN	GB 94 CITI 1850 0813 1426 04
	Sort Code	18-50-08
	Corresponding Bank	Citibank London
	Corresponding Swift / BIC Code	CITIGB2L

DKK	Account Name	Skype Communications SARL
	Bank Name	Citibank London
	Account Number	13142620
	Swift Code	CITIGB2L
	IBAN	GB 50 CITI 1850 0813 1426 20
	Sort Code	18-50-08
	Corresponding Bank	Citibank London
	Corresponding Swift / BIC Code	CITIGB2L

AUD	Account Name	Skype Communications SARL
	Bank Name	Citibank, Sydney
	Account Number	233544019
	Swift Code	CITIAU2X
	BSB Code	242-000
	Bank Address	Level 23 2 Park Street Sydney NSW 2000 Australia

CAD	Account Name	Skype Communications SARL
	Bank Name	Citibank, Toronto
	Account Number	2018295001
	Swift Code	CITICATTBCH
	Bank Number	0328
	Transit Number	20012
	Bank Address	123 Front St W Toronto ON, M5J 2M3 Canada

Please Note: Partner should also refer to the current Microsoft billing document for payment information.