

A ConvergeOne Solution for

STATE OF NEBRASKA STATE PURCHASING
REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES
SOLICITATION NUMBER: RFP 5885 Z1
TECHNICAL ~ ORIGINAL



Cloud



Contact Center



Collaboration



Data Center



Enterprise Apps



Mobility + BYOD



Networking



Security

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Eagan, MN 55121
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A CONVERGEONE SOLUTION FOR

STATE OF NEBRASKA STATE PURCHASING

REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES

SOLICITATION NUMBER: RFP 5885 Z1

OPTION A – OCIO-HOSTED / TECHNICAL PROPOSAL

Presented By:

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August 20, 2018



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August 20, 2018

Ms. Nancy Storant
Ms. Annette Walton
State Purchasing Bureau
1526 K Street, Room 130
Lincoln, NE 68508

Dear Ms. Storant and Ms. Walton,

Thank you for the opportunity to participate in the State of Nebraska Solicitation Number RFP 5885 Z1 Hosted VoIP Service. We understand that the State of Nebraska ("State") is ready to invest in the future and the systems that will enable new ways of conducting business and serving their staff, residents and businesses.

Experience expectations continue to escalate, and ConvergeOne ("C1") is uniquely positioned to deliver what the State is ready to do today as well as continue to strategize, roadmap, and deploy solutions that deliver results going forward. With deep expertise in communications, networking, and security, C1 can understand your unique environment and bring the best solution to you. C1 is very well positioned to be the State's trusted advisor and partner for the next 15 years

C1 is the leading independent integrator of best-in-class communications, collaboration, and customer interaction solutions – offering a visionary approach to managing costs and service delivery while simultaneously improving capabilities and reliability. We achieve success by working closely with multiple technology innovators to integrate the latest hardware, software, and applications into end-to-end multivendor solutions to meet the unique needs of our clients. We then deliver the solution in an easy-to-consume financial model with full ongoing service capabilities. This provides risk mitigation as we continue to see changes in the vendors supplying technology components in the market and keeps government entities from perpetually investing in administrative training and service delivery vehicles. Your C1 team asserts with confidence that our many years of success with local, state and federal governments combined with our in-depth technical knowledge and dedication to customer service provide the highest value to the State. We welcome the opportunity to demonstrate our commitment and determination in contributing to the State's success.

Sincerely,

Lisa Porter

Lisa Porter
Senior National Account Manager

John McCaslin

John McCaslin
National Account Manager

EXECUTIVE SUMMARY

ConvergeOne is honored and excited to respond to the State of NE Request for Proposal for cost-efficient Hosted Voice Services. The requirements, as described in this RFP, are very similar to other ConvergeOne clients. The critical element is determining the details that make you and your situation unique. ConvergeOne believes that building and growing customer partnerships is the best way to create success – for the State of Nebraska (State) and for ConvergeOne (C1). Partnerships begin by understanding your needs and challenges and drawing on our expertise to find solutions and transfer this knowledge for your continued success.

C1 is a trusted resource for many companies nationwide. C1 is the partner of choice for more than 11,000 customers ranging in size from small businesses to *Fortune* 100 companies. As a leading communications solutions integrator, we offer a comprehensive array of communication solutions and support, including Cloud Solutions premise PBX and messaging, contact center, unified communications (UC), mobility, VoIP, and converged network integration, maintenance, and consultation, professional and managed services.

C1 was the successful vendor chosen by the City of Lincoln in 2012 for a similar Centrex replacement solution for approximately 3,000 users. While in 2012 Microsoft was not a complete voice solution, the City deployed an Avaya VoIP solution. We ask that you to reach out to Steve Henderson, CIO, for a point of reference to C1's successful and timely implementation of this project.

We see the State as a valuable partner and look forward to working closely with you to support your efforts to improve productivity and reduce costs via Microsoft Teams Government Community Cloud (GCC) Voice Services. This RFP response describes a key investment in Teams GCC Telephone System to increase employee productivity, reduce costs, enhance user experience, and move the State off of existing Centrex lines to a modern communications platform.

We see the State of Nebraska in a perfect position to realize the same benefits that other States such as Michigan, Ohio, and Pennsylvania have seen come to fruition when deploying this Microsoft GCC Phone System platform in similar environments.

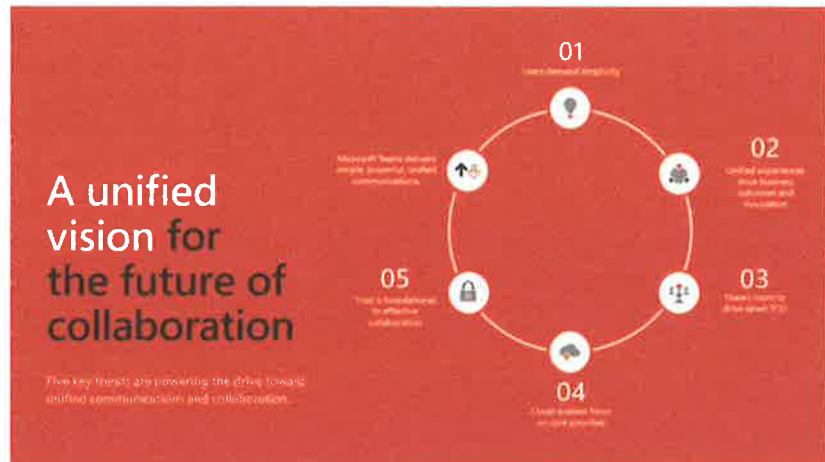
In a data-driven world of rapid digital transformation, collaboration is increasingly critical to success—and how people communicate is its foundation. Organizations can build a strong foundation of communication by making it easier for individuals to access the information they need, and for teams to connect more easily. Technology plays a critical role in this process because diverse teams work across multiple locations, use a range of devices and have many different workstyles.

Until recently, organizations often had to manage multiple platforms to get all the communication and collaboration tools they needed. Even if employees had access to a full range of tools, those tools didn't work together seamlessly, which created barriers to effective interactions.

Unified communication solutions that enable employees to connect to each other in the right way, at the right moment. With telephony, IM, conferencing, and other meeting solutions in one environment,

accessible across different clients, companies can offer the right tools for varied workstyles and communication needs. Additionally, IT teams can manage identity, security, and data in one place.

Your teams will have built-in access to the applications they need in Office 365. With VoIP, conversations, meetings, files, and apps living in one team workspace, your team can move effortlessly from communication to creation right within the app. They can easily review files before a meeting, share them during the session, and record it to review later—from mobile devices, desktop and laptop computers, browsers, and conference room phones and screens.



Teams Government Community Cloud (GCC) Phone System

Based on the current Microsoft license platform the State has deployed today, C1 has identified several key financial, technological, and operational reasons why the Microsoft hosted voice solution is the optimal Hosted VOIP Solution for the State. These include:

- State technology roadmap moving forward – our C1 proposal will utilize the State’s current Microsoft licensing to invest in and propel the future vision of the organization.
- If the State were to ever move forward with the Microsoft Modern Workplace Productivity Suite, which includes important Security and Unified Communications license entitlements, the Microsoft GCC Phone System Voice license cost will be reduced to zero – Voice will be Free with the Productivity Suite. At any time during the 5 yr term for the RFP 5885 Z1 contract ConvergeOne will work with the State to determine if any price reductions to the Microsoft license cost would apply.
- The low cost of the Microsoft Voice license has been included in the monthly rates for Basic, Standard and Premium models quoted by C1 for Option A. This licensing model provides a cost-effective Hosted VoIP solution that meets all of the State’s requirements.
- Security, Compliance – The Microsoft Teams GCC Phone System is located in a Government Cloud that is FedRamp, CJIS, HIPAA, and IRS 1075 compliant. This is important as there are specific security guidelines around VoIP deployments that Teams GCC Telephone System natively (and hosted in the Government Cloud) absolutely meets. These are very difficult security certifications to achieve.
- Reduce complexity - The complexity and difficulty of managing compliance can be overwhelming

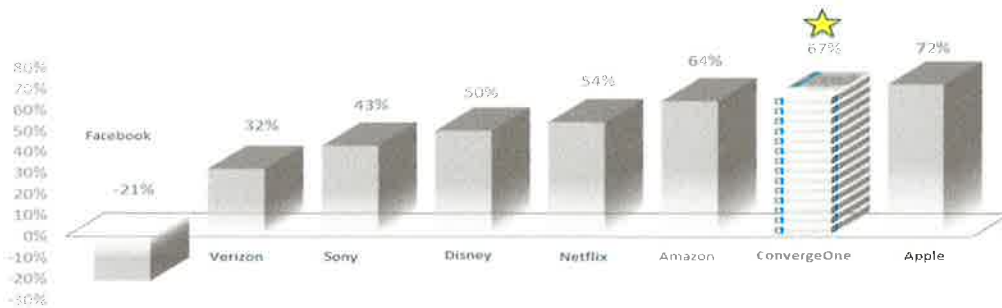
in large organizations. Teams GCC Telephone System includes built-in and continuously updated capabilities that help with regulations that govern voice mail archiving, retention, disposition, classification, and discovery of data. These new features will really help reduce the complexity of executing compliance workflows. Teams GCC Telephone System is tied to the Microsoft 365 Security & Compliance Center that's integrated with Azure Active Directory, Microsoft Exchange, and SharePoint. This allows you to import data for retention and content discovery, as well as across cloud services.

- Microsoft provides a financially backed SLA for uptime in the Microsoft Government Cloud. This SLA is financially backed direct from Microsoft, not a 3rd party. Please see attached Microsoft SLA document.
- No other Unified Communications platform on the market has the level of seamless integration that Teams GCC does with Microsoft Outlook and other Microsoft Office applications. Of special note is the ease and simplicity of how the Teams GCC "Click to Call" feature operates.
- Teams GCC Telephone System integrates natively with Microsoft Service Manager. This integration streamlines the ticketing process, reduces overhead costs, and improves business processes and governance policy.
- Centralized Control – With the ability to comprehensively manage calls from within Office 365, Teams GCC Telephone System eliminates separate systems for information professionals. Additionally, the Office 365 administration portal serves as a centralized hub to manage users, ensuring that telephony staff can easily monitor the effectiveness of the system.
- Anywhere, anytime – No matter the device, mobile phones, tablets, or PCs – employees can connect as long as they have Internet access. Users can securely make, take, and transfer calls that help them perform their day-to-day tasks from anywhere and at any time.
- Support the use of information technology to enhance community and economic development.
- Promote the use of information technology to improve the efficiency and delivery of governmental and educational services, including homeland security.
- Ensure the security of the State's data and network resources and the continuity of business operations.
- Promote effective planning, management and accountability regarding the State's investments in information technology.
- Assists the Office of the CIO with its Core priorities for the State. The Teams GCC Telephone System is aligned with the State's priorities:
http://www.nitc.nebraska.gov/documents/statewide_technology_plan.pdf

Company Qualifications

C1 is a strategic partner who can consult, design, integrate, operate, and optimize your enterprise and collaboration communications. We assist our clients with their strategies and develop short- and long-term road maps to put those plans into action. We have a premier Program Management team that mitigates the risk of embarking on business transformation. Our consultants map the customer journey so you can serve your clients in the ways they want and the ways your competition does not. C1’s multivendor capabilities also include monitoring, maintenance, and managed services from our state-of-the-art Network Operation Centers. C1 data center, storage and security experts help you optimize your back-end systems as well. Our areas of expertise allow us to guide you through the entire trek of moving forward from today to achieving your desired goals.

CONVERGEONE NET PROMOTER SCORE



Know the score...

The Net Promoter Score, or NPS®, is based on the fundamental perspective that every company’s customers can be divided into three categories: Promoters, Passives, and Detractors.

We have strategic relationships with the manufacturers represented in Gartner Group’s Magic Quadrant for contact center and enterprise telephony / unified communications, thereby giving us the ability to serve our clients with a custom-tailored approach for their business rather than being aligned with a specific brand.

An Experienced Team

C1’s commitment to hire and retain only the best people is the reason why our company continues to grow at a double-digit pace. It’s also the reason why we consistently receive exceptionally high marks on customer satisfaction surveys.

C1 specialists average more than 21 years of experience and are responsible for the design and implementation of thousands of communications systems for companies in all industries. Their extensive experience covers the full spectrum of voice and data systems and a range of proven vendors. Many of our product and design specialists have earned certifications from industry leaders such as Avaya, Cisco, Genesys, IBM and Microsoft. In fact, our staff has garnered more than 2,600 active, industry-recognized certifications. C1 continues to invest heavily in ongoing training and development to ensure that our professionals are always current on new technologies.

C1 is part of the Office 365 High-Touch Partner Program where Microsoft has selected only the best integrators from across the world. C1 is also a Skype Operations Framework Partner.

The SOF framework provides a standardized approach to successfully plan, deliver and operate the Teams GCC Telephone System by incorporating practical guidance, tools, assets and recommended practices that can be leveraged by both new deployments and migrations from On-Premises deployments.

ConvergeOne has deep expertise in these Microsoft Technologies: Office 365, Enterprise Mobility + Security, Azure, Exchange, Skype for Business, Teams, SharePoint, System Center, and OneDrive for Business.

C1's engineering staff includes Microsoft Certified Solution Masters (MCSM) and MVPs for Office 365, Teams, and Exchange, former Microsoft developers, published authors, and renowned bloggers.

ConvergeOne Maintenance and Managed Services

C1's Managed Services offer a comprehensive, growing portfolio of services that keep multi-vendor solutions reliable and performing their best. In a business climate where you need to strike a balance between investing in technology and spending money wisely, there's a lot riding on the performance of your communications solution. You need to know you're always getting the best value for every communications dollar you've invested.

ConvergeOne has included managed services and support, which provides 24-hour proactive monitoring via C1 One Vision, remote telephone support, remote diagnostics, troubleshooting, problem resolution, software maintenance and software release management, patching and cumulative updates, and any on-site support C1 deems necessary to resolve a fault. One Vision establishes key metrics to be monitored so that you know about changes to network performance before they affect your users and your business.

ConvergeOne Achieves Service Organization Control (SOC) 2 Type II Certification

C1 is proud of our successful completion of the Service Organization Control (SOC) 2 Type II audit. Completion of the audit indicates that the policies, communications, procedures and monitoring of controls have been implemented by C1 and tested by an independent certified public accounting firm.

This third-party validation confirms our commitment to protecting customer data and ensures our security program meets the standards of the AICPA's trust principles. The achievement is attestation that C1 exceeds the security, compliance and safety-related requirements for controls and safeguards when hosting our customers' data.

Conclusion

After careful analysis, and the opportunity to understand your needs, our team has crafted a tailored, redundant and fault tolerant Private Cloud solution which meets and exceeds your stated RFP requirements. We have provided a cloud solution that is scalable, single, all-in-one solution which includes enterprise telephony and collaboration for the entire State. The Private Cloud model allows you to deploy quickly and "pay as you use" while reducing the demands on your IT team.

The end result of selecting C1 and the Microsoft Cloud PBX solution as your partner and product of choice is that the State will be able to deliver the best service and support to your customers throughout your enterprise, along with an assurance of having a platform which will grow and adjust to the ever-changing requirements of your business. The incredible flexibility of our proposed solution will exceed your project initiatives and fuel your growth well into the future.

C1 is confident that with the solution being proposed, we will make a difference to. We have the solutions, skills, knowledge and experience unmatched in the industry and can provide unique strengths the state needs. We hope we have demonstrated our desire to become your valued partner. We look forward to meeting with you to discuss our proposal in more detail.

Thank you once again for allowing C1 to present our solution to the State of Nebraska.

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- Appendix 9 - Sennheiser for AudioCodes
- Appendix 10 – FIPS 140-2 Addendum
(Due to file size, this has been provided on the enclosed CD)
- Appendix 11 – C1 Connectivity Server Specifications
(This is proprietary information and has been provided separately)
- Appendix 12 - Audio Codec Bandwidth
- Appendix 13 - Microsoft Online Services SLA
- Appendix 14 – AudioCodes 450HD Quick Reference Guide
- Appendix 15 – AudioCodes 405HD User Manual
(Due to file size, this has been provided on the enclosed CD)
- Appendix 16 - Sample C1 IT Training
- Appendix 17 – C1 Certificate of Good Standing
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- Appendix 19 – UCA and Key Features
- Appendix 20 – UCA Employee Productivity Reporting and Monitoring



REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES FORM

By signing this Request for Proposal for Contractual Services form, the bidder guarantees compliance with the procedures stated in this Request for Proposal, and agrees to the terms and conditions unless otherwise indicated in writing and certifies that bidder maintains a drug free work place.

BIDDER MUST COMPLETE THE FOLLOWING

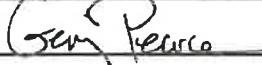
Per Nebraska's Transparency in Government Procurement Act, Neb. Rev Stat § 73-603 DAS is required to collect statistical information regarding the number of contracts awarded to Nebraska Contractors. This information is for statistical purposes only and will not be considered for contract award purposes.

 X **NEBRASKA CONTRACTOR AFFIDAVIT:** Bidder hereby attests that bidder is a Nebraska Contractor. "Nebraska Contractor" shall mean any bidder who has maintained a bona fide place of business and at least one employee within this state for at least the six (6) months immediately preceding the posting date of this RFP.

 I hereby certify that I am a Resident disabled veteran or business located in a designated enterprise zone in accordance with Neb. Rev. Stat. § 73-107 and wish to have preference, if applicable, considered in the award of this contract.

 I hereby certify that I am a blind person licensed by the Commission for the Blind & Visually Impaired in accordance with Neb. Rev. Stat. §71-8611 and wish to have preference considered in the award of this contract.

FORM MUST BE SIGNED USING AN INDELIBLE METHOD (NOT ELECTRONICALLY)

FIRM:	ConvergeOne, Inc.
COMPLETE ADDRESS:	3344 Highway 149, Eagan, MN 55121
TELEPHONE NUMBER:	651-994-6800
FAX NUMBER:	651-994-6801
DATE:	August 17, 2018
SIGNATURE:	
TYPED NAME & TITLE OF SIGNER:	Gerry Pearce, Vice President - Sales

FORM A – BIDDER CONTACT SHEET

Request for Proposal Number 5885 Z1

Form A should be completed and submitted with each response to this RFP. This is intended to provide the State with information on the bidder's name and address, and the specific person(s) who are responsible for preparation of the bidder's response.

Preparation of Response Contact Information	
Bidder Name:	ConvergeOne, Inc.
Bidder Address:	3344 Highway 149 Eagan, MN 55121
Contact Person & Title:	John McCaslin, National Account Manager
E-mail Address:	jmccaslin@convergeone.com
Telephone Number (Office):	763.318.2106
Telephone Number (Cellular):	402.680.2835
Fax Number:	651.994.6801

Each bidder should also designate a specific contact person who will be responsible for responding to the State if any clarifications of the bidder's response should become necessary. This will also be the person who the State contacts to set up a presentation/demonstration, if required.

Communication with the State Contact Information	
Bidder Name:	ConvergeOne, Inc.
Bidder Address:	3344 Highway 149 Eagan, MN 55121
Contact Person & Title:	John McCaslin, National Account Manager
E-mail Address:	jmccaslin@convergeone.com
Telephone Number (Office):	763.318.2106
Telephone Number (Cellular):	402.680.2835
Fax Number:	651.994.6801

SECTION II – TERMS AND CONDITIONS

Bidders should complete Sections II through VI as part of their proposal. Bidder is expected to read the Terms and Conditions and should initial either accept, reject, or reject and provide alternative language for each clause. The bidder should also provide an explanation of why the bidder rejected the clause or rejected the clause and provided alternate language. By signing the RFP, bidder is agreeing to be legally bound by all the accepted terms and conditions, and any proposed alternative terms and conditions submitted with the proposal. The State reserves the right to negotiate rejected or proposed alternative language. If the State and bidder fail to agree on the final Terms and Conditions, the State reserves the right to reject the proposal. The State of Nebraska is soliciting proposals in response to this RFP. The State of Nebraska reserves the right to reject proposals that attempt to substitute the bidder’s commercial contracts and/or documents for this RFP.

The bidders should submit with their proposal any license, user agreement, service level agreement, or similar documents that the bidder wants incorporated in the Contract. The State will not consider incorporation of any document not submitted with the bidder’s proposal as the document will not have been included in the evaluation process. These documents shall be subject to negotiation and will be incorporated as addendums if agreed to by the Parties.

If a conflict or ambiguity arises after the Addendum to Contract Award have been negotiated and agreed to, the Addendum to Contract Award shall be interpreted as follows:

1. If only one Party has a particular clause then that clause shall control;
2. If both Parties have a similar clause, but the clauses do not conflict, the clauses shall be read together;
3. If both Parties have a similar clause, but the clauses conflict, the State’s clause shall control.

A. General

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			

The contract resulting from this RFP shall incorporate the following documents:

1. Request for Proposal and Addenda;
2. Amendments to the RFP;
3. Questions and Answers;
4. Contractor’s proposal (RFP and properly submitted documents);
5. The executed Contract and Addendum One to Contract, if applicable; and,
6. Amendments/Addendums to the Contract.

These documents constitute the entirety of the contract.

Unless otherwise specifically stated in a future contract amendment, in case of any conflict between the incorporated documents, the documents shall govern in the following order of preference with number one (1) receiving preference over all other documents and with each lower numbered document having preference over any higher numbered document: 1) Amendment to the executed Contract with the most recent dated amendment having the highest priority, 2) executed Contract and any attached Addenda, 3) Amendments to RFP and any Questions and Answers, 4) the original RFP document and any Addenda, and 5) the Contractor’s submitted Proposal.

Any ambiguity or conflict in the contract discovered after its execution, not otherwise addressed herein, shall be resolved in accordance with the rules of contract interpretation as established in the State of Nebraska.

C1 Response:

Read and understood.

B. Notification

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			C1 Project Manager shall serve as the point of contact for the executed contract.

Contractor and State shall identify the contract manager who shall serve as the point of contact for the executed contract.

Communications regarding the executed contract shall be in writing and shall be deemed to have been given if delivered personally or mailed, by U.S. Mail, postage prepaid, return receipt requested, to the parties at their respective addresses set forth below, or at such other addresses as may be specified in writing by either of the parties. All notices, requests, or communications shall be deemed effective upon personal delivery or three (3) calendar days following deposit in the mail.

C1 Response:

Comply. As part of the implementation process the C1 Project Manager will hold regular meetings to discuss the project, including plans, schedules, and progress. The updated Project Plan will show status of project steps and milestones and potential problems and/or delays will be discussed. The Project Manager will generally work remotely and will attend most, if not all, meetings via conference call.

C. Governing Law (Statutory)

Notwithstanding any other provision of this contract, or any amendment or addendum(s) entered into contemporaneously or at a later time, the parties understand and agree that,

(1) the State of Nebraska is a sovereign state and its authority to contract is therefore subject to limitation by the State’s Constitution, statutes, common law, and regulation; (2) this contract will be interpreted and enforced under the laws of the State of Nebraska; (3) any action to enforce the provisions of this agreement must be brought in the State of Nebraska per state law; (4) the person signing this contract on behalf of the State of Nebraska does not have the authority to waive the State's sovereign immunity, statutes, common law, or regulations; (5) the indemnity, limitation of liability, remedy, and other similar provisions of the final contract, if any, are entered into subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity; and, (6) all terms and conditions of the final contract, including but not limited to the clauses concerning third party use, licenses, warranties, limitations of liability, governing law and venue, usage verification, indemnity, liability, remedy or other similar provisions of the final contract are entered into specifically subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity.

The Parties must comply with all applicable local, state and federal laws, ordinances, rules, orders, and regulations.

C1 Response:

Read and understood.

D. Beginning of Work

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			

The bidder shall not commence any billable work until a valid contract has been fully executed by the State and the successful Contractor. The Contractor will be notified in writing when work may begin.

C1 Response:

Read and understood.

E. Change Orders

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			

The State and the Contractor, upon the written agreement, may make changes to the contract within the general scope of the RFP. Changes may involve specifications, the quantity of work, or such other items as the State may find necessary or desirable. Corrections of any deliverable, service, or work required pursuant to the contract shall not be deemed a change. The Contractor may not claim forfeiture of the contract by reasons of such changes.

The Contractor shall prepare a written description of the work required due to the change and an itemized cost sheet for the change. Changes in work and the amount of compensation to be paid to the Contractor shall be determined in accordance with applicable unit prices if any, a pro-rated value, or through negotiations. The State shall not incur a price increase for changes that should have been included in the Contractor's proposal, were foreseeable, or result from difficulties with or failure of the Contractor's proposal or performance.

No change shall be implemented by the Contractor until approved by the State, and the Contract is amended to reflect the change and associated costs, if any. If there is a dispute regarding the cost, but both parties agree that immediate implementation is necessary, the change may be implemented, and cost negotiations may continue with both Parties retaining all remedies under the contract and law.

C1 Response:

Read and understood.

F. Notice of Potential Contractor Breach

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			

If Contractor breaches the contract or anticipates breaching the contract, the Contractor shall immediately give written notice to the State. The notice shall explain the breach or potential breach, a proposed cure, and may include a request for a waiver of the breach if so desired. The State may, in its discretion, temporarily or permanently waive the breach. By granting a waiver, the State does not forfeit any rights or remedies to which the State is entitled by law or equity, or pursuant to the provisions of the contract. Failure to give

immediate notice, however, may be grounds for denial of any request for a waiver of a breach.

C1 Response:

Read and understood.

G. Breach

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			

Either Party may terminate the contract, in whole or in part, if the other Party breaches its duty to perform its obligations under the contract in a timely and proper manner. Termination requires written notice of default and a thirty (30) calendar day (or longer at the non-breaching Party's discretion considering the gravity and nature of the default) cure period. Said notice shall be delivered by Certified Mail, Return Receipt Requested, or in person with proof of delivery. Allowing time to cure a failure or breach of contract does not waive the right to immediately terminate the contract for the same or different contract breach which may occur at a different time. In case of default of the Contractor, the State may contract the service from other sources and hold the Contractor responsible for any excess cost occasioned thereby.

The State's failure to make payment shall not be a breach, and the Contractor shall retain all available statutory remedies and protections.

C1 Response:

Read and understood.

H. Non-Waiver of Breach

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			

The acceptance of late performance with or without objection or reservation by a Party shall not waive any rights of the Party nor constitute a waiver of the requirement of timely performance of any obligations remaining to be performed.

C1 Response:

Read and understood.

I. Severability

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
CP			

If any term or condition of the contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the provision held to be invalid or illegal.

C1 Response:

Read and understood.

J. Indemnification

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
		CP	C1 agrees to include an indemnification provision in the final contract; however, C1 cannot agree to the indemnification provided herein. General indemnification shall be mutual and each party shall be responsible for its own negligence. Intellectual Property Infringement indemnification can be provided only to the extent the respective OEM provides an IPII. C1 does not offer a Services Infringement Indemnification. We would welcome an opportunity to discuss this item in further detail for the purpose of coming to a mutual agreement.

1. General

The Contractor agrees to defend, indemnify, and hold harmless the State and its employees, volunteers, agents, and its elected and appointed officials (“the indemnified parties”) from and against any and all third party claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses (“the claims”), sustained or asserted against the State for personal injury, death, or property loss or damage, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of the Contractor, its employees, Subcontractors, consultants, representatives, and agents, resulting from this contract,

except to the extent such Contractor liability is attenuated by any action of the State which directly and proximately contributed to the claims.

C1 Response:

C1 agrees to include an indemnification provision in the final contract; however, C1 cannot agree to the indemnification provided herein. General indemnification shall be mutual and each party shall be responsible for its own negligence. Intellectual Property Infringement indemnification can be provided only to the extent the respective OEM provides an IPII. C1 does not offer a Services Infringement Indemnification. We would welcome an opportunity to discuss this item in further detail for the purpose of coming to a mutual agreement.

2. Intellectual Property

The Contractor agrees it will, at its sole cost and expense, defend, indemnify, and hold harmless the indemnified parties from and against any and all claims, to the extent such claims arise out of, result from, or are attributable to, the actual or alleged infringement or misappropriation of any patent, copyright, trade secret, trademark, or confidential information of any third party by the Contractor or its employees, Subcontractors, consultants, representatives, and agents; provided, however, the State gives the Contractor prompt notice in writing of the claim. The Contractor may not settle any infringement claim that will affect the State's use of the Licensed Software without the State's prior written consent, which consent may be withheld for any reason.

If a judgment or settlement is obtained or reasonably anticipated against the State's use of any intellectual property for which the Contractor has indemnified the State, the Contractor shall, at the Contractor's sole cost and expense, promptly modify the item or items which were determined to be infringing, acquire a license or licenses on the State's behalf to provide the necessary rights to the State to eliminate the infringement, or provide the State with a non-infringing substitute that provides the State the same functionality. At the State's election, the actual or anticipated judgment may be treated as a breach of warranty by the Contractor, and the State may receive the remedies provided under this RFP.

C1 Response:

C1 can agree to provide an IPII on replacement products to the extent the manufacturer offers such an IPII to C1. Intellectual Property Infringement Indemnification: With respect to each Product that Seller provides to Customer hereunder, Seller will provide to Customer an intellectual property infringement indemnity to the extent, and only to the extent, that Seller receives an intellectual property infringement indemnity from the respective manufacturer for such Product. The terms and provisions of each intellectual property infringement indemnity that apply to the respective Products that Seller provides to Customer hereunder are available at www.convergeone.com.

Because Seller is not the manufacturer of any of the Products, Seller provides no indemnity with respect to any claim that arises from a combination of (i) a Product manufactured by one (1) manufacturer with a Product manufactured by a different manufacturer; or (ii) a Product that Seller provides to Customer with

any product that Seller has not provided to Customer. Notwithstanding the preceding sentence, however, with respect to each individual Product involved in the aforementioned combinations, Seller will still provide to Customer the intellectual property infringement indemnity to the extent, and only to the extent, that Seller receives an intellectual property infringement indemnity from the respective manufacturer for each Product.”

3. Personnel

The Contractor shall, at its expense, indemnify and hold harmless the indemnified parties from and against any claim with respect to withholding taxes, worker’s compensation, employee benefits, or any other claim, demand, liability, damage, or loss of any nature relating to any of the personnel, including subcontractor’s and their employees, provided by the Contractor.

C1 Response:

Read and understood.

4. Self-Insurance

The State of Nebraska is self-insured for any loss and purchases excess insurance coverage pursuant to Neb. Rev. Stat. § 81-8,239.01 (Reissue 2008). If there is a presumed loss under the provisions of this agreement, Contractor may file a claim with the Office of Risk Management pursuant to Neb. Rev. Stat. §§ 81-8,829 – 81-8,306 for review by the State Claims Board. The State retains all rights and immunities under the State Miscellaneous (Section 81-8,294), Tort (Section 81-8,209), and Contract Claim Acts (Section 81- 8,302), as outlined in Neb. Rev. Stat. § 81-8,209 et seq. and under any other provisions of law and accepts liability under this agreement to the extent provided by law.

C1 Response:

Read and understood.

5. All Remedies at Law

Nothing in this agreement shall be construed as an indemnification by one Party of the other for liabilities of a Party or third parties for property loss or damage or death or personal injury arising out of and during the performance of this lease. Any liabilities or claims for property loss or damages or for death or personal injury by a Party or its agents, employees, contractors or assigns or by third persons shall be determined according to applicable law.

C1 Response:

Read and understood.

6. The Parties acknowledge that Attorney General for the State of Nebraska is required by statute to represent the legal interests of the State, and that any provision of this indemnity clause is subject to the statutory authority of the Attorney General.

C1 Response:

Read and understood.

K. Attorney’s Fees

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			

In the event of any litigation, appeal, or other legal action to enforce any provision of the contract, the Parties agree to pay all expenses of such action, as permitted by law and if order by the court, including attorney’s fees and costs, if the other Party prevails.

C1 Response:

Read and understood.

L. Liquidated Damages

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
		GP	C1 takes exception to this provision and disclaims liquidated damages. We would welcome an opportunity to discuss this item in further detail for the purpose of coming to a mutual agreement. Also, Microsoft provides a financially backed SLA for uptime in the Microsoft Government Cloud. This SLA is financially backed direct from Microsoft, not a 3 rd party. Please see <i>Appendix 13 - Microsoft Online Services SLA</i> .

Failure to meet the dates for the deliverables as agreed upon by the parties may result in an assessment of liquidate damages due the State as noted below. Contractor will be notified in writing when liquidated damages will commence.

In events where the Contractor does not correct invoices, the State reserves the right to pursue one or more of the following remedies:

1. Withholding of payment on disputed invoices.
2. “Vendor Performance Report” Filed with Materiel Division.

3. Removing or suspending Contractor from State vendor list.
4. Additional legal action as deemed appropriate by the State.

Accurate billing, timely invoice delivery, and billing dispute resolutions are required, and repeated failure to meet these requirements will result in liquidated damages that compensate the State for all costs including labor for such resolutions. The State may choose to deduct an amount equal to the hourly labor rate for employees time spent identifying and disputing billing errors and tracking credits for billing errors. All billing errors must be corrected and/or credited within 60 days

C1 Response:

C1 takes exception to this provision and disclaims liquidated damages. We would welcome an opportunity to discuss this item in further detail for the purpose of coming to a mutual agreement. Also, Microsoft provides a financially backed SLA for uptime in the Microsoft Government Cloud. This SLA is financially backed direct from Microsoft, not a 3rd party. Please see *Appendix 13 - Microsoft Online Services SLA*.

FOR SERVICE DELIVERY NONCOMPLIANCE

For all orders placed after initial installation, committed due dates from the Contractor must be honored or liquidated damages may be assessed. If the committed due date for installation is not met within one day of the scheduled date, the Contractor must waive all installation charges, including labor for that particular order. If the install is not completed within three (3) days of the committed due date the Contractor must further waive the first month of charges for the services that are delayed.

C1 Response:

C1 takes exception. C1 does not offer liquidated damages. For delays in delivery, C1 shall have no liability unless the delivery date is delayed by more than thirty (30) days by causes not attributable to either the State or force majeure conditions, in which case the State's sole remedy shall be to terminate the pertinent sales quote without incurring charges for such termination and, within thirty (30) days after such termination, receive a refund of all monies paid under the pertinent sales quote.

C1 will immediately give notice in writing to the State, including all relevant information. Such notice shall not in any way constitute a basis for an extension of the delivery or performance schedule or be construed as a waiver by the State of any right or remedies to which it is entitled by law or pursuant to provisions herein.

M. Assignment, Sale or Merger

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			

Either Party may assign the contract upon mutual written agreement of the other Party. Such agreement shall not be unreasonably withheld.

The Contractor retains the right to enter into a sale, merger, acquisition, internal reorganization, or similar transaction involving Contractor’s business. Contractor agrees to cooperate with the State in executing amendments to the contract to allow for the transaction. If a third party or entity is involved in the transaction, the Contractor will remain responsible for performance of the contract until such time as the person or entity involved in the transaction agrees in writing to be contractually bound by this contract and perform all obligations of the contract.

C1 Response:

Read and understood.

N. Contracting with other Nebraska Political Sub-Divisions

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			

The Contractor may, but shall not be required to, allow agencies, as defined in Neb. Rev. Stat. §81-145, to use this contract. The terms and conditions, including price, of the contract may not be amended. The State shall not be contractually obligated or liable for any contract entered into pursuant to this clause. A listing of Nebraska political subdivisions may be found at the website of the Nebraska Auditor of Public Accounts.

C1 Response:

Read and understood.

O. Force Majeure

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			

Neither Party shall be liable for any costs or damages, or for default resulting from its inability to perform any of its obligations under the contract due to a natural or manmade event outside the control and not the fault of the affected Party (“Force Majeure Event”). The Party so affected shall immediately make a written request for relief to the other Party, and shall have the burden of proof to justify the request. The other Party may grant the relief requested; relief may not be unreasonably withheld. Labor disputes with the impacted Party’s own employees will not be considered a Force Majeure Event.

C1 Response:

Read and understood.

P. Confidentiality

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			

All materials and information provided by the Parties or acquired by a Party on behalf of the other Party shall be regarded as confidential information. All materials and information provided or acquired shall be handled in accordance with federal and state law, and ethical standards. Should said confidentiality be breached by a Party, the Party shall notify the other Party immediately of said breach and take immediate corrective action.

It is incumbent upon the Parties to inform their officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a (i)(1), which is made applicable by 5 U.S.C. 552a (m)(1), provides that any officer or employee, who by virtue of his/her employment or official position has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

C1 Response:

Read and understood.

Q. Early Termination

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
		CP	C1 will agree to include multiple provisions for early termination (termination for cause, termination for convenience, termination for non-appropriations, etc.) in the final agreement; however, such provisions will be individually negotiated between C1 and the State after further discussions have occurred and will be incorporated into the final, mutually agreed-to Master Services Agreement.

The contract may be terminated as follows:

1. The State and the Contractor, by mutual written agreement, may terminate the contract at any time.
2. The State, in its sole discretion, may terminate the contract for any reason upon thirty (30) calendar day's written notice to the Contractor. Such termination shall not relieve the Contractor of warranty or other service obligations incurred under the terms of the contract. In the event of termination the Contractor shall be entitled to payment, determined on a pro rata basis, for products or services satisfactorily performed or provided.
3. The State may terminate the contract immediately for the following reasons:
 - a. if directed to do so by statute;
 - b. Contractor has made an assignment for the benefit of creditors, has admitted in writing its inability to pay debts as they mature, or has ceased operating in the normal course of business;
 - c. a trustee or receiver of the Contractor or of any substantial part of the Contractor's assets has been appointed by a court;
 - d. fraud, misappropriation, embezzlement, malfeasance, misfeasance, or illegal conduct pertaining to performance under the contract by its Contractor, its employees, officers, directors, or shareholders;
 - e. an involuntary proceeding has been commenced by any Party against the Contractor under any one of the chapters of Title 11 of the United States Code and (i) the proceeding has been pending for at least sixty (60) calendar days; or (ii) the Contractor has consented, either expressly or by operation of law, to the entry of an order for relief; or (iii) the Contractor has been decreed or adjudged a debtor;
 - f. a voluntary petition has been filed by the Contractor under any of the chapters of Title 11 of the United States Code;

- g. Contractor intentionally discloses confidential information;
- h. Contractor has or announces it will discontinue support of the deliverable; and,
- i. In the event funding is no longer available.

C1 Response:

C1 agrees to include a termination provision in the final contract; however, such provision shall be mutual in nature and contain additional caveats. Please refer to the following language: This Agreement shall remain in effect until terminated by either Party. Either Party may terminate this Agreement, provided that such Party provides to the other Party written notice of such termination at least thirty (30) days prior to the effective date of such termination. The notice of termination shall reflect the effective date of the termination; if it does not, then the effective date of the termination shall be the date that is thirty (30) days after the non-terminating Party receives the written notice of the termination. Notwithstanding the foregoing, however, the termination of this Agreement shall not affect the obligations of either Party pursuant to the terms and provisions of any order that has been executed by an authorized representative of each Party prior to the effective date of termination of this Agreement. However, because of the type of services being provided and the advanced cost implication to C1, any termination for convenience must be subject to a termination fee equal to the lesser amount due for the maintenance being terminated for twelve (12) months or the remainder of the term.

R. Contract Closeout

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
CP			Comply with clarification. Regarding Items #2 and #3. As a reseller, C1 does not create Work Material. However, in the unusual circumstance that C1 does create Work Material, then, upon payment in full for all charges due: (1) that work will be the sole, exclusive property of C1, and (2) Customer will have a non-exclusive, non-transferable, perpetual, limited license to use the work within the Territory of the United States, for Customer's internal business purposes.

Upon contract closeout for any reason the Contractor shall within 30 days, unless stated otherwise herein:

1. Transfer all completed or partially completed deliverables to the State;
2. Transfer ownership and title to all completed or partially completed deliverables to the State;

3. Return to the State all information and data, unless the Contractor is permitted to keep the information or data by contract or rule of law. Contractor may retain one copy of any information or data as required to comply with applicable work product documentation standards or as are automatically retained in the course of Contractor's routine back up procedures;
4. Cooperate with any successor Contractor, person or entity in the assumption of any or all of the obligations of this contract;
5. Cooperate with any successor Contractor, person or entity with the transfer of information or data related to this contract;
6. Return or vacate any state owned real or personal property; and,
7. Return all data in a mutually acceptable format and manner.

Nothing in this Section should be construed to require the Contractor to surrender intellectual property, real or personal property, or information or data owned by the Contractor for which the State has no legal claim.

C1 Response:

Comply with clarification. Regarding Items #2 and #3. As a reseller, C1 does not create Work Material. However, in the unusual circumstance that C1 does create Work Material, then, upon payment in full for all charges due: (1) that work will be the sole, exclusive property of C1, and (2) Customer will have a non-exclusive, non-transferable, perpetual, limited license to use the work within the Territory of the United States, for Customer's internal business purposes.

SECTION III – CONTRACTOR DUTIES

A. Independent Contractor / Obligations

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
CP			Comply with clarification. C1 cannot agree to include certain customer specific provisions in our contracts with our subcontractors as we already have a master agreement with our subcontractors and to add every one of our customer's specific requirements like this would be difficult to manage. C1 will agree to remain fully liable and responsible for the acts and omissions of our subcontractors in performing the services.

It is agreed that the Contractor is an independent contractor and that nothing contained herein is intended or should be construed as creating or establishing a relationship of employment, agency, or a partnership.

The Contractor is solely responsible for fulfilling the contract. The Contractor or the Contractor's representative shall be the sole point of contact regarding all contractual matters.

The Contractor shall secure, at its own expense, all personnel required to perform the services under the contract. The personnel the Contractor uses to fulfill the contract shall have no contractual or other legal relationship with the State; they shall not be considered employees of the State and shall not be entitled to any compensation, rights or benefits from the State, including but not limited to, tenure rights, medical and hospital care, sick and vacation leave, severance pay, or retirement benefits.

By-name personnel commitments made in the Contractor's proposal shall not be changed without the prior written approval of the State. Replacement of these personnel, if approved by the State, shall be with personnel of equal or greater ability and qualifications.

All personnel assigned by the Contractor to the contract shall be employees of the Contractor or a subcontractor, and shall be fully qualified to perform the work required herein. Personnel employed by the Contractor or a subcontractor to fulfill the terms of the contract shall remain under the sole direction and control of the Contractor or the subcontractor respectively.

With respect to its employees, the Contractor agrees to be solely responsible for the following:

1. Any and all pay, benefits, and employment taxes and/or other payroll withholding;
2. Any and all vehicles used by the Contractor's employees, including all insurance required by state law;
3. Damages incurred by Contractor's employees within the scope of their duties under the contract;

4. Maintaining Workers' Compensation and health insurance that complies with state and federal law and submitting any reports on such insurance to the extent required by governing law; and
5. Determining the hours to be worked and the duties to be performed by the Contractor's employees.
6. All claims on behalf of any person arising out of employment or alleged employment (including without limit claims of discrimination alleged against the Contractor, its officers, agents, or subcontractors or subcontractor's employees)

If the Contractor intends to utilize any subcontractor, the subcontractor's level of effort, tasks, and time allocation should be clearly defined in the bidder's proposal. The Contractor shall agree that it will not utilize any subcontractors not specifically included in its proposal in the performance of the contract without the prior written authorization of the State.

The State reserves the right to require the Contractor to reassign or remove from the project any Contractor or subcontractor employee.

Contractor shall insure that the terms and conditions contained in any contract with a subcontractor does not conflict with the terms and conditions of this contract.

The Contractor shall include a similar provision, for the protection of the State, in the contract with any Subcontractor engaged to perform work on this contract.

C1 Response:

Comply with clarification. C1 cannot agree to include certain customer specific provisions in our contracts with our subcontractors as we already have a master agreement with our subs and to add every one of our customer's specific requirements like this would be difficult to manage. C1 will agree to remain fully liable and responsible for the acts and omissions of our subs in performing the services.

B. Employee Work Eligibility Status

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			

The Contractor is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of an employee.

If the Contractor is an individual or sole proprietorship, the following applies:

1. The Contractor must complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at <http://das.nebraska.gov/materiel/purchasing.html>
The completed United States Attestation Form should be submitted with the RFP response.
2. If the Contractor indicates on such attestation form that he or she is a qualified alien, the Contractor agrees to provide the US Citizenship and Immigration Services documentation required to verify the Contractor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.
3. The Contractor understands and agrees that lawful presence in the United States is required and the Contractor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by Neb. Rev. Stat. §4-108.

C1 Response:

Read and understood.

**C. Compliance with Civil Rights Laws and Equal Opportunity
Employment / Nondiscrimination (Statutory)**

The Contractor shall comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act prohibits Contractors of the State of Nebraska, and their Subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensation, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin (Neb. Rev. Stat. §48-1101 to 48-1125). The Contractor guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of contract. The Contractor shall insert a similar provision in all Subcontracts for services to be covered by any contract resulting from this RFP.

C1 Response:

Read and understood with clarification. C1 cannot agree to include certain customer specific provisions in our contracts with our subcontractors as we already have a master agreement with our subs and to add every one of our customer's specific requirements like this would be impossible to manage. C1 will agree to remain fully liable and responsible for the acts and omissions of our subs in performing the services.

D. Cooperation with Other Contractors

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
CP			Comply with clarification. C1 shall not knowingly commit or permit any act which may interfere with the performance of work by any other contractor or individual. C1 cannot be held liable for a delay in performing the services caused by other contractors. C1 will not compromise C1's intellectual property or proprietary information.

Contractor may be required to work with or in close proximity to other contractors or individuals that may be working on same or different projects. The Contractor shall agree to cooperate with such other contractors or individuals, and shall not commit or permit any act which may interfere with the performance of work by any other contractor or individual. Contractor is not required to compromise Contractor's intellectual property or proprietary information unless expressly required to do so by this contract.

C1 Response:

Comply with clarification. C1 shall not knowingly commit or permit any act which may interfere with the performance of work by any other contractor or individual. C1 cannot be held liable for a delay in performing the services caused by other contractors. C1 will not compromise C1's intellectual property or proprietary information.

E. Permits, Regulations, Laws

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
		CP	

The contract price shall include the cost of all royalties, licenses, permits, and approvals, whether arising from patents, trademarks, copyrights or otherwise, that are in any way involved in the contract. The Contractor shall obtain and pay for all royalties, licenses, and permits, and approvals necessary for the execution of the contract. The Contractor must guarantee that it has the full legal right to the materials, supplies, equipment, software, and other items used to execute this contract.

C1 Response:

C1 cannot agree to this provision as it is written. C1 can only pass on Infringement Indemnification it receives from its suppliers and proposes the following: "Intellectual Property Infringement Indemnification

- With respect to each Product that C1 provides to Customer hereunder, C1 will provide to Customer an intellectual property infringement indemnity to the extent, and only to the extent, that C1 receives an intellectual property infringement indemnity from the respective manufacturer for such Product. The terms and provisions of each intellectual property infringement indemnity that apply to the respective Products that C1 provides to Customer hereunder are available at www.convergeone.com.

Because C1 is not the manufacturer of any of the Products, C1 provides no indemnity with respect to any claim that arises from a combination of (i) a Product manufactured by one (1) manufacturer with a Product manufactured by a different manufacturer; or (ii) a Product that C1 provides to Customer with any product that C1 has not provided to Customer. Notwithstanding the preceding sentence, however, with respect to each individual Product involved in the aforementioned combinations, C1 will still provide to Customer the intellectual property infringement indemnity to the extent, and only to the extent, that C1 receives an intellectual property infringement indemnity from the respective manufacturer for each Product.” We would welcome an opportunity to discuss this item in further detail for the purpose of coming to a mutual agreement.

F. Ownership of Information and Data / Deliverables

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
		GP	C1 takes exception.

The State shall have the unlimited right to publish, duplicate, use, and disclose all information and data developed or obtained by the Contractor on behalf of the State pursuant to this contract.

The State shall own and hold exclusive title to any deliverable developed as a result of this contract. Contractor shall have no ownership interest or title, and shall not patent, license, or copyright, duplicate, transfer, sell, or exchange, the design, specifications, concept, or deliverable.

C1 Response:

Both Parties shall retain right and ownership of their respective property. C1 takes exception to this provision and proposes the following in lieu thereof:

Both Parties shall each retain all right, title, and interest in and to their respective pre-existing intellectual property and, except as otherwise provided herein, no license therein (whether express or implied) is granted by this Agreement or as a result of the Services performed hereunder. To the extent that the Parties wish to grant to the other rights or interests in pre-existing intellectual property, separate license agreements on mutually acceptable terms will be executed.

If applicable, C1 grants to Customer a royalty-free, fully paid-up, worldwide, perpetual, non-exclusive, and non-transferable license to use any Intellectual Property (as hereinafter defined) and/or the Services that are incorporated into any deliverable item listed in an SOW. C1, however, shall retain ownership of and unrestricted right to use any such Intellectual Property. C1 may perform the same or similar services for others. We would welcome an opportunity to discuss this item in further detail for the purpose of coming to a mutual agreement.

G. Insurance Requirements

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
		GP	C1 takes exception to the limits available for the additional insured.

The Contractor shall throughout the term of the contract maintain insurance as specified herein and provide the State a current Certificate of Insurance/Acord Form (COI) verifying the coverage. The Contractor shall not commence work on the contract until the insurance is in place. If Contractor subcontracts any portion of the Contract the Contractor must, throughout the term of the contract, either:

1. Provide equivalent insurance for each subcontractor and provide a COI verifying the coverage for the subcontractor;
2. Require each subcontractor to have equivalent insurance and provide written notice to the State that the Contractor has verified that each subcontractor has the required coverage; or,
3. Provide the State with copies of each subcontractor's Certificate of Insurance evidencing the required coverage.

The Contractor shall not allow any Subcontractor to commence work until the Subcontractor has equivalent insurance. The failure of the State to require a COI, or the failure of the Contractor to provide a COI or require subcontractor insurance shall not limit, relieve, or decrease the liability of the Contractor hereunder.

In the event that any policy written on a claims-made basis terminates or is canceled during the term of the contract or within one (1) years of termination or expiration of the contract, the contractor shall obtain an extended discovery or reporting period, or a new insurance policy, providing coverage required by this contract for the term of the contract and one (1) years following termination or expiration of the contract.

If by the terms of any insurance a mandatory deductible is required, or if the Contractor elects to increase the mandatory deductible amount, the Contractor shall be responsible for payment of the amount of the deductible in the event of a paid claim.

Notwithstanding any other clause in this Contract, the State may recover up to the liability limits of the insurance policies required herein.

C1 Response:

C1 takes exception to the last sentence and requests this be removed. C1 additional insured endorsements do include wording that the limits available to the additional insured are limited to what's required by the contract. The limits available for the additional insured will be the lesser of what is "1. Required by the contract or agreement or 2. Available under the applicable limits of insurance shown in the declarations". We would welcome an opportunity to discuss this item in further detail for the purpose of coming to a mutual agreement.

1. WORKERS' COMPENSATION INSURANCE

The Contractor shall take out and maintain during the life of this contract the statutory Workers' Compensation and Employer's Liability Insurance for all of the contractors' employees to be engaged in work on the project under this contract and, in case any such work is sublet, the Contractor shall require the Subcontractor similarly to provide Worker's Compensation and Employer's Liability Insurance for all of the Subcontractor's employees to be engaged in such work. This policy shall be written to meet the statutory requirements for the state in which the work is to be performed, including Occupational Disease. **The policy shall include a waiver of subrogation in favor of the State. The COI shall contain the mandatory COI subrogation waiver language found hereinafter.** The amounts of such insurance shall not be less than the limits stated hereinafter. For employees working in the State of Nebraska, the policy must be written by an entity authorized by the State of Nebraska Department of Insurance to write Workers' Compensation and Employer's Liability Insurance for Nebraska employees.

C1 Response:

Read and understood.

2. COMMERCIAL GENERAL LIABILITY INSURANCE AND COMMERCIAL AUTOMOBILE LIABILITY INSURANCE

The Contractor shall take out and maintain during the life of this contract such Commercial General Liability Insurance and Commercial Automobile Liability Insurance as shall protect Contractor and any Subcontractor performing work covered by this contract from claims for damages for bodily injury, including death, as well as from claims for property damage, which may arise from operations under this contract, whether such operation be by the Contractor or by any Subcontractor or by anyone directly or indirectly employed by either of them, and the amounts of such insurance shall not be less than limits stated hereinafter.

The Commercial General Liability Insurance shall be written on an **occurrence basis**, and provide Premises/Operations, Products/Completed Operations, Independent Contractors, Personal Injury, and Contractual Liability coverage. **The**

policy shall include the State, and others as required by the contract documents, as Additional Insured(s). This policy shall be primary, and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory. The COI shall contain the mandatory COI liability waiver language found hereinafter. The Commercial Automobile Liability Insurance shall be written to cover all Owned, Non-owned, and Hired vehicles.

C1 Response:

Read and understood.

REQUIRED INSURANCE COVERAGE	
COMMERCIAL GENERAL LIABILITY	
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal/Advertising Injury	\$1,000,000 per occurrence
Bodily Injury/Property Damage	\$1,000,000 per occurrence
Medical Payments	\$10,000 any one person
Damage to Rented Premises (Fire)	\$300,000 each occurrence
Contractual	Included
XCU Liability (Explosion, Collapse, and Underground Damage)	Included
Independent Contractors	Included
Abuse & Molestation	Included
<i>If higher limits are required, the Umbrella/Excess Liability limits are allowed to satisfy the higher limit.</i>	
WORKER'S COMPENSATION	
Employers Liability Limits	\$500K/\$500K/\$500K
Statutory Limits- All States	Statutory - State of Nebraska
USL&H Endorsement	Statutory
Voluntary Compensation	Statutory
COMMERCIAL AUTOMOBILE LIABILITY	
Bodily Injury/Property Damage	\$1,000,000 combined single limit
Include All Owned, Hired & Non-Owned Automobile liability	Included
Motor Carrier Act Endorsement	Where Applicable
UMBRELLA/EXCESS LIABILITY	
Over Primary Insurance	\$5,000,000 per occurrence
PROFESSIONAL LIABILITY	
All Other Professional Liability (Errors & Omissions)	\$1,000,000 Per Claim / Aggregate
COMMERCIAL CRIME	
Crime/Employee Dishonesty Including 3rd Party Fidelity	\$1,000,000
CYBER LIABILITY	
Breach of Privacy, Security Breach, Denial of Service, Remediation, Fines and Penalties	\$10,000,000
MANDATORY COI SUBROGATION WAIVER LANGUAGE	
"Workers' Compensation policy shall include a waiver of subrogation in favor of the State of Nebraska."	
MANDATORY COI LIABILITY WAIVER LANGUAGE	

“Commercial General Liability & Commercial Automobile Liability policies shall name the State of Nebraska as an Additional Insured and the policies shall be primary and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory as additionally insured.”

If the mandatory COI subrogation waiver language or mandatory COI liability waiver language on the COI states that the waiver is subject to, condition upon, or otherwise limit by the insurance policy, a copy of the relevant sections of the policy must be submitted with the COI so the State can review the limitations imposed by the insurance policy.

C1 Response:

Abuse & Molestation – C1 has an exclusion for expected or intended injury which could certainly apply. We do have an employment practices liability policy which covers third party employment practices liability claims.

USL&H- C1 believes this would not apply to this project.

Voluntary Compensation - This would be used to cover employees not subject to work comp (domestic works, agricultural workers, volunteers, etc.) and C1 believes this would not be applicable to this project.

3. EVIDENCE OF COVERAGE

The Contractor shall furnish the Contract Manager, with a certificate of insurance coverage complying with the above requirements prior to beginning work at:

Office of the CIO
Attn: Controller
501 South 14th Street
Lincoln, NE 68508

These certificates or the cover sheet shall reference the RFP number, and the certificates shall include the name of the company, policy numbers, effective dates, dates of expiration, and amounts and types of coverage afforded. If the State is damaged by the failure of the Contractor to maintain such insurance, then the Contractor shall be responsible for all reasonable costs properly attributable thereto.

Reasonable notice of cancellation of any required insurance policy must be submitted to the contract manager as listed above when issued and a new coverage binder shall be submitted immediately to ensure no break in coverage.

C1 Response:

Evidence of Coverage- Normally we submit certificates to the current holders at the time of renewal to ensure no break in coverage. Please see *Appendix 3 – C1 Evidence of Coverage*.

4. DEVIATIONS

The insurance requirements are subject to limited negotiation. Negotiation typically includes, but is not necessarily limited to, the correct type of coverage, necessity for Workers' Compensation, and the type of automobile coverage carried by the Contractor.

C1 Response:

Please see Appendix 3 – C1 Evidence of Coverage.

H. Antitrust

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			

The Contractor hereby assigns to the State any and all claims for overcharges as to goods and/or services provided in connection with this contract resulting from antitrust violations which arise under antitrust laws of the United States and the antitrust laws of the State.

C1 Response:

Read and understood.

I. Conflict of Interest

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			

By submitting a proposal, bidder certifies that there does not now exist a relationship between the bidder and any person or entity which is or gives the appearance of a conflict of interest related to this RFP or project.

The bidder certifies that it shall not take any action or acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its services hereunder or which creates an actual or an appearance of conflict of interest.

The bidder certifies that it will not knowingly employ any individual known by bidder to have a conflict of interest.

The Parties shall not knowingly, for a period of two years after execution of the contract, recruit or employ any employee or agent of the other Party who has worked on the RFP or project, or who had any influence on decisions affecting the RFP or project.

C1 Response:

Read and understood.

J. State Property

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			Not applicable.

The Contractor shall be responsible for the proper care and custody of any State-owned property which is furnished for the Contractor's use during the performance of the contract. The Contractor shall reimburse the State for any loss or damage of such property; normal wear and tear is expected.

C1 Response:

Read and understood.

K. Site Rules and Regulations

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			

The Contractor shall use its best efforts to ensure that its employees, agents, and Subcontractors comply with site rules and regulations while on State premises. If the Contractor must perform on-site work outside of the daily operational hours set forth by the State, it must make arrangements with the State to ensure access to the facility and the equipment has been arranged. No additional payment will be made by the State on the basis of lack of access, unless the State fails to provide access as agreed to in writing between the State and the Contractor.

C1 Response:

Read and understood.

L. Advertising

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			

The Contractor agrees not to refer to the contract award in advertising in such a manner as to state or imply that the company or its services are endorsed or preferred by the State. Any publicity releases pertaining to the project shall not be issued without prior written approval from the State.

C1 Response:

Read and understood.

M. Nebraska Technology Access Standards (Statutory)

Contractor shall review the Nebraska Technology Access Standards, found at <http://nitc.nebraska.gov/standards/2-201.html> and ensure that products and/or services provided under the contract are in compliance or will comply with the applicable standards to the greatest degree possible. In the event such standards change during the Contractor's performance, the State may create an amendment to the contract to request the contract comply with the changed standard at a cost mutually acceptable to the parties.

C1 Response:

Read and understood.

N. Disaster Recovery/Backup Plan

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			Due to confidentiality agreements with customers, C1 has provided the IT Disaster Recovery Table of Contents. Upon request, C1 can provide under a Non-disclosure Agreement.

The Contractor shall have a disaster recovery and back-up plan, of which a copy should be provided upon request to the State, which includes, but is not limited to equipment, personnel, facilities, and transportation, in order to continue services as specified under the specifications in the contract in the event of a disaster.

C1 Response:

Please see *Appendix 4 – C1 Disaster Recovery Table of Contents.*

O. Drug Policy

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			Policy attached.

Contractor certifies it maintains a drug free work place environment to ensure worker safety and workplace integrity. Contractor agrees to provide a copy of its drug free workplace policy at any time upon request by the State.

C1 Response:

Please see *Appendix 5 – C1 Drug Policy.*

SECTION IV - PAYMENT

A. Prohibition Against Advance Payment (Statutory)

Payments shall not be made until contractual deliverable(s) are received and accepted by the State.

C1 Response:

We are not clear on the definition of 'contractual deliverables', if it is referencing Professional Services, we agree. If this refers to 3rd party maintenance, we do require payment in advance.

B. Taxes (Statutory)

The State is not required to pay taxes and assumes no such liability as a result of this solicitation. Any property tax payable on the Contractor's equipment which may be installed in a state-owned facility is the responsibility of the Contractor.

C1 Response:

Read and understood.

C. Invoices

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			

Invoices for payments must be submitted by the Contractor to the agency requesting the services with sufficient detail to support payment. Invoices shall be submitted to AS Accounting 1526 K St. Suite 240, Lincoln, NE 68508 .The terms and conditions included in the Contractor's invoice shall be deemed to be solely for the convenience of the parties. No terms or conditions of any such invoice shall be binding upon the State, and no action by the State, including without limitation the payment of any such invoice in whole or in part, shall be construed as binding or estopping the State with respect to any such term or condition, unless the invoice term or condition has been previously agreed to by the State as an amendment to the contract.

The billing cycle for all contractor provided services must end on the last day of each month, and the next billing cycle must begin the first day of the following month.

A paper summary invoice must be delivered to the AS Accounting 1526 K St. Suite 240, Lincoln, NE 68508. The paper invoice must include all current services covering the previous calendar month and must be delivered by the 10th of the month. Bidders must

provide snap shots depicting the actual invoice format that includes each service type offered.

The paper invoice must show order activity detail and current monthly charges by services and be organized in a clear and precise manner. An overall summary must provide total lines and total cost.

An accurate electronic station billing file must be delivered to the OCIO. This electronic billing file must include all current services covering the previous calendar month and must be received by the 10th of each month.

Totals in the electronic Station files must match totals on the paper summary invoice. Paper summary invoices that do not match the electronic data files will not be paid until corrected.

The electronic station record file layout must be either "delimited" or "fixed length". There must be a separate line for each telephone number that includes, as a minimum, 10 Digit Station number, station type identifier, and rate (i.e. basic, standard, or premium).

An accurate electronic Toll Record file must be delivered to the OCIO (for Option A only). This electronic billing file must include all toll records covering the previous calendar month and must be received by the 10th of each month.

The format must include the following items:

1. Time of Day
2. Date of Call
3. Originating Number (calling number)
4. Originating City/State
5. Terminating Number (called number)
6. Terminating City/State
7. Call Duration (billable time).

Receiving electronic files must be an automated process. The State will not consider a CD, DVD or email attachment to be automated. Any process that relies on a single person at a desktop to receive data and manually extract or manipulate files will not be considered automation. The Contractor must deliver files to a server on the State network monthly via SFTP. The Bidder must provide a complete description of their proposed process for delivering electronic files.

The bidder must provide an example of electronic billing files. This sample must be included within 10 days of intent to award

C1 Response:

Read and understood. C1 will provide both paper and electronic Toll Record files that include all Teams GCC Telephone System Voice and Toll records covering the previous calendar month. The C1 Billing solution is an intuitive, user driven solution that will produce all relevant toll records in the billing file format described above. The format includes Time of Day, Date of Call, Originating Number, Originating City/State, Terminating Number, Terminating City/State, and Call Duration (billable time). In addition to meeting these

seven (7) file format requirements, the C1 Billing Solution also offers flexibility. The State will have the ability to custom design reports, define the fields displayed in the monthly reports to ensure the information is relevant.

All electronic monthly Toll Record files will be speed scheduled to run automatically and will deliver files to a server on the State network, monthly via SFTP. The SFTP process utilized will securely transfer files across the State network. Supporting files of up to 4GB, it will also allow the transfer of large files. Multi-thread capabilities will allow for concurrent upload and download of files from multiple network devices. Using advanced security settings, there is control over how to transfer files using a very secure encrypted connection: FIPS-certified DLL version of Crypto++ 5.3.0., which is compatible with most major SFTP clients. In addition to using the most up-to-date security and encryption protocol, it also provides Active Directory user login support and IPv6 capability.

Additionally, the C1 Billing Solution offers a Dashboard User Interface option. The Dashboard can deliver a near real-time snapshot of Voice call usage. The Dashboard Charts and what specific Call information that is displayed can be customized. Filters can be applied to the charts, ensuring that only relevant information is displayed.

Looking ahead to the near future, in early 2019, the on-board analytics native within Teams GCC Telephone Service will have the capability to integrate directly to Azure. This integration will allow the State to connect the Toll Record information to Azure services, transfer data between Azure and on-premise data sources, and process data stored in Azure. C1 feels that this Teams GCC Telephone Service analytics integration will significantly advance the automation of the monthly Billing process and further simplify operations, ensuring best practices for the OCIO in this very important business practice area.

D. Inspection and Approval

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			

Final inspection and approval of all work required under the contract shall be performed by the designated State officials.

The State and/or its authorized representatives shall have the right to enter any premises where the Contractor or Subcontractor duties under the contract are being performed, and to inspect, monitor or otherwise evaluate the work being performed. All inspections and evaluations shall be at reasonable times and in a manner that will not unreasonably delay work.

C1 Response:

Read and understood.

E. Payment

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			

State will render payment to Contractor when the terms and conditions of the contract and specifications have been satisfactorily completed on the part of the Contractor as solely determined by the State. (Neb. Rev. Stat. Section 73- 506(1)) Payment will be made by the responsible agency in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §81-2401 through 81-2408). The State may require the Contractor to accept payment by electronic means such as ACH deposit. In no event shall the State be responsible or liable to pay for any services provided by the Contractor prior to the Effective Date of the contract, and the Contractor hereby waives any claim or cause of action for any such services.

C1 Response:

Read and understood.

F. Late Payment (Statutory)

The Contractor may charge the responsible agency interest for late payment in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §81-2401 through 81-2408).

C1 Response:

Read and understood.

G. Subject to Funding / Funding Out Clause for Loss of Appropriations

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			

The State's obligation to pay amounts due on the Contract for a fiscal years following the current fiscal year is contingent upon legislative appropriation of funds. Should said funds not be appropriated, the State may terminate the contract with respect to those payments for the fiscal year(s) for which such funds are not appropriated. The State will give the Contractor written notice thirty (30) calendar days prior to the effective date of termination. All obligations of the State to make payments after the termination date will cease. The

Contractor shall be entitled to receive just and equitable compensation for any authorized work which has been satisfactorily completed as of the termination date. In no event shall the Contractor be paid for a loss of anticipated profit.

C1 Response:

Read and understood.

H. Right to Audit (First Paragraph is Statutory)

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
GP			

The State shall have the right to audit the Contractor's performance of this contract upon a 30 days' written notice. Contractor shall utilize generally accepted accounting principles, and shall maintain the accounting records, and other records and information relevant to the contract (Information) to enable the State to audit the contract. The State may audit and the Contractor shall maintain, the Information during the term of the contract and for a period of five (5) years after the completion of this contract or until all issues or litigation are resolved, whichever is later. The Contractor shall make the Information available to the State at Contractor's place of business or a location acceptable to both Parties during normal business hours. If this is not practical or the Contractor so elects, the Contractor may provide electronic or paper copies of the Information. The State reserves the right to examine, make copies of, and take notes on any Information relevant to this contract, regardless of the form or the Information, how it is stored, or who possesses the Information.

Under no circumstance will the Contractor be required to create or maintain documents not kept in the ordinary course of contractor's business operations, nor will contractor be required to disclose any information, including but not limited to product cost data, which is confidential or proprietary to contractor.

C1 Response:

Read and understood.

The Parties shall pay their own costs of the audit unless the audit finds a previously undisclosed overpayment by the State. If a previously undisclosed overpayment exceeds one-half of one (.5%) of the total contract billings, or if fraud, material misrepresentations, or non-performance is discovered on the part of the Contractor, the Contractor shall reimburse the State for the total costs of the audit. Overpayments and audit costs owed to the State shall be paid within ninety days of written notice of the claim. The Contractor agrees to correct any material weaknesses or condition found as a result of the audit.

C1 Response:

Read and understood.

SECTION V – PROJECT DESCRIPTION AND SCOPE OF WORK

The bidder should provide the following information in response to this RFP.

Proposals are being sought for the purpose of securing the most cost efficient Hosted Voice Over Internet Protocol Telephony (VOIP) Services. This solution will replace the State's Centrex service in select locations throughout the State as defined in Attachment C. The purpose of this RFP is to provide for phone service that includes the most up-to-date VOIP features and functionality as a hosted service with equipment ownership, maintenance and service remaining with the Contractor.

A. VoIP Hosting

This RFP provides two (2) options for bidding:

- Option A, Office of the Chief Information Officer (OCIO)-Hosted Solution, and;
- Option B, Carrier-Hosted Solution.

Bidders may bid on either one or both options. In order for a bid to be considered for more than one option, a complete, separate proposal (Corporate, Technical, and Cost) must be submitted for **EACH** option. Each proposal submitted must clearly identify which option is being bid. The State will evaluate all proposals submitted within each separate option, (Option A, OCIO-Hosted, and Option B, and, Carrier-Hosted.) the highest scoring bidder will be identified for each option (A and B). The State will then make a determination as to which option will best meet the State's needs and make an award to the highest scoring bidder for that option.

The following defines the intent of this RFP:

1. Option A: OCIO-Hosted Solution:

The proposed solution's application in hardware, software, licensing, and all associated equipment would be maintained, supported, and managed by the Contractor and should be installed at the State's data Center. Network necessary to transport VOIP from the core platform out to the desktop would be owned and maintained by the State. PSTN connectivity resources will be provided by the State using SIP trunks. **See Attachment A for additional requirements.**

2. Option B: Carrier-Hosted Solution:

This service will be provided by a PSC certified telecommunications carrier. The proposed solution's application hardware, software, licensing, all associated equipment infrastructure will be owned and maintained by the Contractor on the Contractor's premises. All connectivity necessary to deliver proposed service to the OCIO aggregation points in the Lincoln and Omaha data centers will be provided by the Contractor at their cost. Network necessary to transport VOIP from the Contractor's aggregation point in the State Data center out to the desktop would be owned and maintained by the State.

See Attachment B for additional requirements.

Office of the Chief Information Officer

The Nebraska OCIO is directly responsible for this project. The OCIO provides, for the State of Nebraska, leadership, project management, planning, implementation, and support services for Information Technology for the State of Nebraska. The OCIO will provide support for the project, including support for the technical planning, implementation, testing and maintenance of the new solution.

C1 Response:

Comply. C1 has completed Attachment A - OCIO Hosted Solution.

B. Project Overview

The State currently utilizes traditional Centrex products to provide digital and analog telephony services in many locations. The purpose of this RFP is to secure a replacement of these services.

C1 Response:

Acknowledge.

C. Project Environment

The current telephony environment is a mix of Carrier provided Centrex, POTS lines, and State operated Cisco solutions. Integration with the bidders proposed solution may be possible if that integration is feasible and economical. Any proposed solution that integrates in a manner that reduces cost and increases current network resiliency and redundancy would be preferred however, is not required. See Attachment C for a list of current Centrex quantities by City. Bidder MUST be able to provide service to ALL communities listed on Attachment C and any other community within the State of Nebraska as deemed necessary during the course of the contract.

C1 Response:

Comply.

D. Scope of Work

The State is soliciting proposals for a qualified Contractor to provide a managed VOIP solution that will replace the current Centrex environment. Please see Attachment A – OCIO Hosted Solution and Attachment B – Carrier Hosted Solution for technical requirements.

C1 Response:

Comply. C1 has completed Attachment A - OCIO Hosted Solution.

SECTION VI – PROPOSAL INSTRUCTIONS

This section documents the requirements that should be met by bidders in preparing the Technical and Cost Proposal. Bidders should identify the subdivisions of “Project Description and Scope of Work” clearly in their proposals; failure to do so may result in disqualification. Failure to respond to a specific requirement may be the basis for elimination from consideration during the State’s comparative evaluation.

Proposals are due by the date and time shown in the Schedule of Events. Content requirements for the Technical and Cost Proposal are presented separately in the following subdivisions; format and order:

A. Proposal Submission

1. REQUEST FOR PROPOSAL FORM

By signing the “RFP for Contractual Services” form, the bidder guarantees compliance with the provisions stated in this RFP, agrees to the Terms and Conditions stated in this RFP unless otherwise agreed to, and certifies bidder maintains a drug free work place environment.

The RFP for Contractual Services form must be signed using an indelible method (not electronically) and returned per the schedule of events in order to be considered for an award.

Sealed proposals must be received in the State Purchasing Bureau by the date and time of the proposal opening per the Schedule of Events. No late proposals will be accepted. No electronic, e-mail, fax, voice, or telephone proposals will be accepted.

It is the responsibility of the bidder to check the website for all information relevant to this solicitation to include addenda and/or amendments issued prior to the opening date. Website address is as follows:
<http://das.nebraska.gov/materiel/purchasing.html>

Further, Sections II through VII must be completed and returned with the proposal response.

C1 Response:

Comply. Please see the Request for Proposal for Contractual Services Form provided at the front of this response.

2. CORPORATE OVERVIEW

The Corporate Overview section of the Technical Proposal should consist of the following subdivisions:

a. Bidder Identification and Information

The bidder should provide the full company or corporate name, address of the company's headquarters, entity organization (corporation, partnership, proprietorship), state in which the bidder is incorporated or otherwise organized to do business, year in which the bidder first organized to do business and whether the name and form of organization has changed since first organized.

b. Financial Statements

The bidder should provide financial statements applicable to the firm. If publicly held, the bidder should provide a copy of the corporation's most recent audited financial reports and statements, and the name, address, and telephone number of the fiscally responsible representative of the bidder's financial or banking organization.

If the bidder is not a publicly held corporation, either the reports and statements required of a publicly held corporation, or a description of the organization, including size, longevity, client base, areas of specialization and expertise, and any other pertinent information, should be submitted in such a manner that proposal evaluators may reasonably formulate a determination about the stability and financial strength of the organization. Additionally, a non-publicly held firm should provide a banking reference.

The bidder must disclose any and all judgments, pending or expected litigation, or other real or potential financial reversals, which might materially affect the viability or stability of the organization, or state that no such condition is known to exist.

The State may elect to use a third party to conduct credit checks as part of the corporate overview evaluation.

c. Change of Ownership

If any change in ownership or control of the company is anticipated during the twelve (12) months following the proposal due date, the bidder should describe the circumstances of such change and indicate when the change will likely occur. Any change of ownership to an awarded vendor(s) will require notification to the State.

d. Office Location

The bidder's office location responsible for performance pursuant to an award of a contract with the State of Nebraska should be identified.

e. Relationships with the State

The bidder should describe any dealings with the State over the previous two (2) years. If the organization, its predecessor, or any Party named in the bidder's proposal response has contracted with the State, the bidder should identify the contract number(s) and/or any other information available to identify such contract(s). If no such contracts exist, so declare.

f. Bidder's Employee Relations to State

If any Party named in the bidder's proposal response is or was an employee of the State within the past twenty four (24) months, identify the individual(s) by name, State agency with whom employed, job title or position held with the State, and separation date. If no such relationship exists or has existed, so declare.

If any employee of any agency of the State of Nebraska is employed by the bidder or is a Subcontractor to the bidder, as of the due date for proposal submission, identify all such persons by name, position held with the bidder, and position held with the State (including job title and agency). Describe the responsibilities of such persons within the proposing organization. If, after review of this information by the State, it is determined that a conflict of interest exists or may exist, the bidder may be disqualified from further consideration in this proposal. If no such relationship exists, so declare.

g. Contract Performance

If the bidder or any proposed Subcontractor has had a contract terminated for default during the past five (5) years, all such instances must be described as required below. Termination for default is defined as a notice to stop performance delivery due to the bidder's non-performance or poor performance, and the issue was either not litigated due to inaction on the part of the bidder or litigated and such litigation determined the bidder to be in default.

It is mandatory that the bidder submit full details of all termination for default experienced during the past five (5) years, including the other Party's name, address, and telephone number. The response to this section must present the bidder's position on the matter. The State will evaluate the facts and will score the bidder's proposal accordingly. If no such termination for default has been experienced by the bidder in the past five (5) years, so declare.

If at any time during the past five (5) years, the bidder has had a contract terminated for convenience, non-performance, non-allocation of funds, or any other reason, describe fully all circumstances surrounding such termination, including the name and address of the other contracting Party.

h. Summary of Bidder's Corporate Experience

The bidder should provide a summary matrix listing the bidder's previous projects similar to this RFP in size, scope, and complexity. The State will use no more than three (3) narrative project descriptions submitted by the bidder during its evaluation of the proposal.

The bidder should address the following:

- a) Provide narrative descriptions to highlight the similarities between the bidder's experience and this RFP. These descriptions should include:
 - a) The time period of the project;
 - b) The scheduled and actual completion dates;
 - c) The Contractor's responsibilities;
 - d) For reference purposes, a customer name (including the name of a contact person, a current telephone number, a facsimile number, and e-mail address); and
 - e) Each project description should identify whether the work was performed as the prime Contractor or as a Subcontractor. If a bidder performed as the prime Contractor, the description should provide the originally scheduled completion date and budget, as well as the actual (or currently planned) completion date and actual (or currently planned) budget.
- b) Contractor and Subcontractor(s) experience should be listed separately. Narrative descriptions submitted for Subcontractors should be specifically identified as Subcontractor projects.
- c) If the work was performed as a Subcontractor, the narrative description should identify the same information as requested for the Contractors above. In addition, Subcontractors should identify what share of contract costs, project responsibilities, and time period were performed as a Subcontractor.

i. Summary of Bidder's Proposed Personnel / Management Approach

The bidder should present a detailed description of its proposed approach to the management of the project.

The bidder should identify the specific professionals who will work on the State's project if their company is awarded the contract resulting from this RFP. The names and titles of the team proposed for assignment to the State project should be identified in full, with a description of the team leadership, interface and support functions, and reporting relationships. The primary work assigned to each person should also be identified.

The bidder should provide resumes for all personnel proposed by the bidder to work on the project. The State will consider the resumes as a key

indicator of the bidder's understanding of the skill mixes required to carry out the requirements of the RFP in addition to assessing the experience of specific individuals.

Resumes should not be longer than three (3) pages. Resumes should include, at a minimum, academic background and degrees, professional certifications, understanding of the process, and at least three (3) references (name, address, and telephone number) who can attest to the competence and skill level of the individual. Any changes in proposed personnel shall only be implemented after written approval from the State.

j. Dedicated Support and Repair Team

The bidder must provide a single point of contact who is qualified to support the activities of order, installation and repair. The bidder must provide a list of personnel who will be assigned to the contract resulting from this RFP, as well as a current resume for each.

The State reserves the right to require the Contractor to replace any account team representative when the State determines that their performance is less than satisfactory. The Contractor must agree to make any requested replacement within 30 calendar days.

The bidder must provide a list of contacts and telephone numbers for personnel who can be called upon during emergencies. These contacts must have the authority to expedite the installation and/or restoration of State service, and be willing to work directly with OCIO personnel 24 hours a day, 365 days a year. These Contractor personnel may be contacted periodically and their contact numbers verified as the OCIO conducts preparedness exercises.

k. Personnel and Management Approach

A major factor in the success of the Project is the degree of collaboration between Contractor staff, the OCIO, and Agency staff. The Contractor is expected to work with key OCIO stakeholders, management and subject matter experts throughout the business and technology enterprise when conducting the project activities and developing the work products and deliverables. The Contractor is required to propose a project approach that incorporates the involvement of the OCIO staff in order to obtain information and feedback necessary to produce quality work products and deliverables.

In recognition of this, the OCIO has established a dedicated project team and management structure that will participate with the Contractor on the project. The bidders shall propose a project approach that incorporates assignments to the OCIO staff to affect knowledge transfer and collaborate in producing project deliverables. The meaningful participation of the OCIO throughout the project is critical to the successful operation of the VOIP system. While OCIO staff will participate in all contract activities, the Contractor remains responsible for the creation of all deliverables.

i. Project Manager

The Bidder's proposal must describe policies, plans and intentions with regard to maintaining continuity of key personnel and the implementation team assigned to the project to avoid and minimize the impact of necessary staff changes.

m. Subcontractors

If the bidder intends to Subcontract any part of its performance hereunder, the bidder should provide:

- a) name, address, and telephone number of the Subcontractor(s);
- b) specific tasks for each Subcontractor(s);
- c) percentage of performance hours intended for each Subcontract; and
- d) total percentage of Subcontractor(s) performance hours.

C1 Response:

Comply. Please see the [Corporate Overview](#) section of this response.

3. Technical Approach

The technical approach section of the Technical Proposal should consist of the following subsections:

- a. Understanding of the project requirements;
- b. Proposed development approach;
- c. Technical considerations,
- d. Attachments A and/or B,
- e. Detailed project work plan; and
- f. Deliverables and due dates.

C1 Response:

Comply. Please see the [Technical Approach](#) section of this response.

SECTION VII – COST PROPOSAL REQUIREMENTS

This section describes the requirements to be addressed by bidders in preparing the State's Cost Sheet. The bidder must use the State's Cost Sheet. The bidder should submit the State's Cost Sheet in accordance with Section I Submission of Proposal.

THE STATE'S COST SHEET AND ANY OTHER COST DOCUMENT SUBMITTED WITH THE PROPOSAL SHALL NOT BE CONSIDERED CONFIDENTIAL OR PROPRIETARY AND IS CONSIDERED A PUBLIC RECORD IN THE STATE OF NEBRASKA AND WILL BE POSTED TO A PUBLIC WEBSITE.

This section describes the requirements to be addressed by bidders in preparing the Cost Proposal. The bidder must submit the Cost Proposal in a section of the proposal that is a separate section or is packaged separately as specified in this RFP from the Technical Proposal section. For Option A: OCIO-Hosted, see Attachment A; for Option B: Carrier-Hosted, see Attachment B.

A. Pricing Summary

The State reserves the right to review all aspects of the Cost Proposal for reasonableness and to request clarification of any proposal where the cost component shows significant and unsupported deviation from industry standards or in areas where detailed pricing is required.

1. COST SHEET

This summary shall present the total fixed price to perform all of the requirements of the RFP. The bidder must include details in the State's Cost Sheet supporting any and all costs.

Option A: OCIO-Hosted, see Cost Proposal Option A, for Option B: Carrier-Hosted, see Cost Proposal Option B.

The State reserves the right to review all aspects of cost for reasonableness and to request clarification of any proposal where the cost component shows significant and unsupported deviation from industry standards or in areas where detailed pricing is required.

2. PRICES

Prices quoted shall be net, including transportation and delivery charges fully prepaid by the bidder, F.O.B. destination named in the RFP. No additional charges will be allowed for packing, packages, or partial delivery costs. When an arithmetic error has been made in the extended total, the unit price will govern.

C1 Response:

Please see the Cost Proposal provided separately.

CORPORATE OVERVIEW

ConvergeOne Overview

ConvergeOne is honored and excited to respond to the State of NE Request for Proposal for cost-efficient Hosted Voice Services. The requirements, as described in this RFP, are very similar to other ConvergeOne clients. The critical element is determining the details that make you and your situation unique.

ConvergeOne believes that building and growing customer partnerships is the best way to create success – for the State of Nebraska (State) and for ConvergeOne (C1). Partnerships begin by understanding your needs and challenges and drawing on our expertise to find solutions and transfer this knowledge for your continued success.

C1 is a trusted resource for many companies nationwide. C1 is the partner of choice for more than 11,000 customers ranging in size from small businesses to *Fortune* 100 companies. As a leading communications solutions integrator, we offer a comprehensive array of communication solutions and support, including Cloud Solutions premise PBX and messaging, contact center, unified communications (UC), mobility, VoIP, and converged network integration, maintenance, and consultation, professional and managed services.

C1 was the successful vendor chosen by the City of Lincoln in 2012 for a similar Centrex replacement solution for approximately 3,000 users. While in 2012 Microsoft was not a complete voice solution, the City deployed an Avaya VoIP solution. We ask that you to reach out to Steve Henderson, CIO, for a point of reference to C1's successful and timely implementation of this project.

We see the State as a valuable partner and look forward to working closely with you to support your efforts to improve productivity and reduce costs via Teams GCC Online Voice Services. This RFP response describes a key investment in Teams GCC Voice Services to increase employee productivity, reduce costs, enhance user experience, and move the State off of existing Centrex lines to a modern communications platform.

Mission, Vision and Values

Our Mission

To create innovations and solutions that give customers the experience they deserve.

Our Vision

We are One. We are driven to solve and innovate, to share ideas, experiences, and knowledge, and to empower every individual to do their very best. We think, work, and act as a team. We will be the leading industry provider of technology and solutions. Because the whole is greater than the sum of its parts, we will achieve this, together, as One.

Our Values

Customer Driven

We are driven to understand customers' challenges and build the right solution to help further their business.

Start with Yes

We always jump into tasks and projects with zest, optimism and a can-do attitude. Working as a single team, we break down silos and any other barriers to success as we strive to do what’s right for each other and the customer.

Decide Locally

We empower our employees to think like entrepreneurs and make local decisions that help customers win.

Reach Forward

We are shaping the future with cutting-edge solutions — and helping customers keep pace with changing trends and consumer preferences.

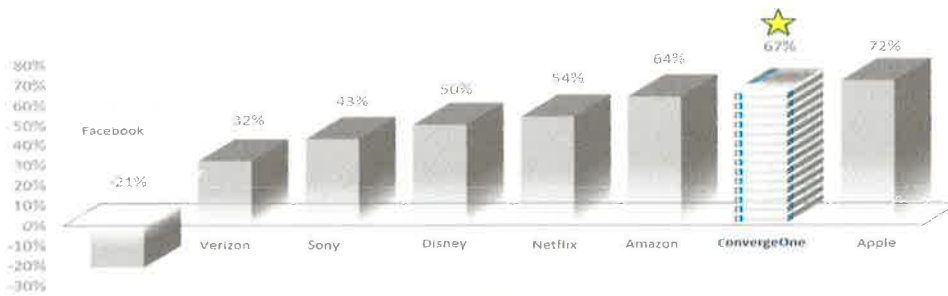
Do Right

We are unrelenting problem solvers who do whatever it takes to follow through on commitments.

Company Qualifications

C1 is a strategic partner who can consult, design, integrate, operate, and optimize your enterprise and collaboration communications. We assist our clients with their strategies and develop short- and long-term road maps to put those plans into action. We have a premier Program Management team that mitigates the risk of embarking on business transformation. Our consultants map the customer journey so you can serve your clients in the ways they want and the ways your competition does not. C1’s multivendor capabilities also include monitoring, maintenance, and managed services from our state-of-the-art Network Operation Centers. C1 data center, storage and security experts help you optimize your back-end systems as well. Our areas of expertise allow us to guide you through the entire trek of moving forward from today to achieving your desired goals.

**CONVERGEONE
NET PROMOTER SCORE**



Know the score...

The Net Promoter Score, or NPS®, is based on the fundamental perspective that every company’s customers can be divided into three categories: Promoters, Passives, and Detractors.

We have strategic relationships with the manufacturers represented in Gartner Group's Magic Quadrant for contact center and enterprise telephony / unified communications, thereby giving us the ability to serve our clients with a custom-tailored approach for their business rather than being aligned with a specific brand.

An Experienced Team

C1's commitment to hire and retain only the best people is the reason why our company continues to grow at a double-digit pace. It's also the reason why we consistently receive exceptionally high marks on customer satisfaction surveys.

C1 specialists average more than 21 years of experience and are responsible for the design and implementation of thousands of communications systems for companies in all industries. Their extensive experience covers the full spectrum of voice and data systems and a range of proven vendors.

Many of our product and design specialists have earned certifications from industry leaders such as Avaya, Cisco, Genesys, IBM and Microsoft. In fact, our staff has garnered more than 2,600 active, industry-recognized certifications. C1 continues to invest heavily in ongoing training and development to ensure that our professionals are always current on new technologies.

C1 is part of the Office 365 High-Touch Partner Program where Microsoft has selected only the best integrators from across the world. C1 is also a Skype Operations Framework Partner.

The SOF framework provides a standardized approach to successfully plan, deliver and operate Teams GCC by incorporating practical guidance, tools, assets and recommended practices that can be leveraged by both new deployments and migrations from On-Premises deployments.

C1's engineering staff includes Microsoft Certified Solution Masters (MCSM) and MVPs for Office 365, Teams, and Exchange, former Microsoft developers, published authors, and renowned bloggers.

ConvergeOne Maintenance and Managed Services

C1's Managed Services offer a comprehensive, growing portfolio of services that keep multi-vendor solutions reliable and performing their best. In a business climate where you need to strike a balance between investing in technology and spending money wisely, there's a lot riding on the performance of your communications solution. You need to know you're always getting the best value for every communications dollar you've invested.

C1 has included managed services and support, which provides 24-hour proactive monitoring via C1 One Vision, remote telephone support, remote diagnostics, troubleshooting, problem resolution, software maintenance and software release management, patching and cumulative updates, and any on-site support C1 deems necessary to resolve a fault. One Vision establishes key metrics to be monitored so that you know about changes to network performance before they affect your users and your business.

ConvergeOne Achieves Service Organization Control (SOC) 2 Type II Certification

C1 is proud of our successful completion of the Service Organization Control (SOC) 2 Type II audit. Completion of the audit indicates that the policies, communications, procedures and monitoring of controls have been implemented by C1 and tested by an independent certified public accounting firm. This third-party validation confirms our commitment to protecting customer data and ensures our security program meets the standards of the AICPA’s trust principles. The achievement is attestation that C1 exceeds the security, compliance and safety-related requirements for controls and safeguards when hosting our customers’ data.

Bidder Identification and Information

The bidder should provide the full company or corporate name, address of the company's headquarters, entity organization (corporation, partnership, proprietorship), state in which the bidder is incorporated or otherwise organized to do business, year in which the bidder first organized to do business and whether the name and form of organization has changed since first organized.

C1 Response:

Full Company Name:	ConvergeOne, Inc.
Address of Company Headquarters:	3344 Highway 149, Eagan, MN 55121
Entity Organization:	Corporation
State of Incorporation:	Minnesota Authorized to conduct business in all 50 states.
Year founded:	1993
Name and Form Changed:	In October 2015, C1 (f.k.a., North American Communications Resource, Inc.) fully integrated its family of companies and now operates as a single entity. The integration was a major milestone in a long-term business strategy to acquire and develop a comprehensive portfolio that provides one of the broadest and deepest solution offerings in the industry. This companywide initiative included a corporate rebrand, streamlined and conversion of internal systems to ensure consistent, efficient processes and delivery mechanisms, which have provided the highest-quality outcomes for C1 employees, customers and partners.

Financial Statements

The bidder should provide financial statements applicable to the firm. If publicly held, the bidder should provide a copy of the corporation's most recent audited financial reports and statements, and the name, address, and telephone number of the fiscally responsible representative of the bidder's financial or banking organization.

C1 Response:

ConvergeOne Investment Corp. and its wholly owned subsidiary, ConvergeOne Holdings Corp. (ConvergeOne), is one of the largest independent providers of business communication solutions in the United States. ConvergeOne is majority owned by a private equity firm that is committed to continuing the growth of the business.

ConvergeOne, which generates more than \$918.9 million in annual revenue, has a history of stable revenue and earnings growth and strong cash flow, and continues to experience profitable growth in a challenging economic environment. The company expects revenue growth between 5% and 8% over the next three years, and improved profitability as it expands and leverages its services capabilities.

On February 23, 2018, ConvergeOne began trading on the NASDAQ under the symbol "CVON." Please see *Appendix 18 – C1 SEC Form 8-K/A*.

C1's DUNS: 825410319

Bank Reference

Wells Fargo Bank N.A.
Regional Commercial Banking
MAC N9141-041
670 McKnight Road N, 4th Floor
St. Paul, MN 55119
Jim Boerjan, 651-205-8536
James.F.Boerjan@wellsfargo.com

If the bidder is not a publicly held corporation, either the reports and statements required of a publicly held corporation, or a description of the organization, including size, longevity, client base, areas of specialization and expertise, and any other pertinent information, should be submitted in such a manner that proposal evaluators may reasonably formulate a determination about the stability and financial strength of the organization. Additionally, a non-publicly held firm should provide a banking reference.

C1 Response:

Not applicable.

The bidder must disclose any and all judgments, pending or expected litigation, or other real or potential financial reversals, which might materially affect the viability or stability of the organization, or state that no such condition is known to exist.

C1 Response:

C1 has legal matters to address that are typical for a business of C1's size. For example, there are some employment matters dealing with former employees who have filed claims with the pertinent federal and state agencies dealing with employment matters. C1 will vigorously defend its position as C1 believes that these claims are without merit. None of the matters with which C1 is dealing will have an adverse impact on the delivery of products and/or services (or the timely delivery thereof) to the State of Nebraska.

The State may elect to use a third party to conduct credit checks as part of the corporate overview evaluation.

C1 Response:

Acknowledged.

Change of Ownership

If any change in ownership or control of the company is anticipated during the twelve (12) months following the proposal due date, the bidder should describe the circumstances of such change and indicate when the change will likely occur. Any change of ownership to an awarded vendor(s) will require notification to the State.

C1 Response:

Acknowledged. There is no anticipated change in ownership.

Office Location

The bidder's office location responsible for performance pursuant to an award of a contract with the State of Nebraska should be identified.

C1 Response:

C1's local presence is: 9140 W. Dodge Road, Suite 100, Omaha, NE 68114.

Relationships with the State

The bidder should describe any dealings with the State over the previous two (2) years. If the organization, its predecessor, or any Party named in the bidder's proposal response has contracted with the State, the bidder should identify the contract number(s) and/or any other information available to identify such contract(s). If no such contracts exist, so declare.

C1 Response:

No contracts exist between C1 and the State of Nebraska.

Bidder's Employee Relations to State

If any Party named in the bidder's proposal response is or was an employee of the State within the past twenty four (24) months, identify the individual(s) by name, State agency with whom employed, job title or position held with the State, and separation date. If no such relationship exists or has existed, so declare.

If any employee of any agency of the State of Nebraska is employed by the bidder or is a Subcontractor to the bidder, as of the due date for proposal submission, identify all such persons by name, position held with the bidder, and position held with the State (including job title and agency). Describe the responsibilities of such persons within the proposing organization. If, after review of this information by the State, it is determined that a conflict of interest exists or may exist, the bidder may be disqualified from further consideration in this proposal. If no such relationship exists, so declare.

C1 Response:

Not applicable.

Contract Performance

If the bidder or any proposed Subcontractor has had a contract terminated for default during the past five (5) years, all such instances must be described as required below. Termination for default is defined as a notice to stop performance delivery due to the bidder's non-performance or poor performance, and the issue was either not litigated due to inaction on the part of the bidder or litigated and such litigation determined the bidder to be in default.

It is mandatory that the bidder submit full details of all termination for default experienced during the past five (5) years, including the other Party's name, address, and telephone number. The response to this section must present the bidder's position on the matter. The State will evaluate the facts and will score the bidder's proposal accordingly. If no such termination for default has been experienced by the bidder in the past five (5) years, so declare.

If at any time during the past five (5) years, the bidder has had a contract terminated for convenience, non-performance, non-allocation of funds, or any other reason, describe fully all circumstances surrounding such termination, including the name and address of the other contracting Party.

C1 Response:

Not applicable.

Summary of Bidder's Corporate Experience

The bidder should provide a summary matrix listing the bidder's previous projects similar to this RFP in size, scope, and complexity. The State will use no more than three (3) narrative project descriptions submitted by the bidder during its evaluation of the proposal.

The bidder should address the following:

1. Provide narrative descriptions to highlight the similarities between the bidder's experience and this RFP. These descriptions should include:
 - a. The time period of the project;
 - b. The scheduled and actual completion dates;
 - c. The Contractor's responsibilities;
 - d. For reference purposes, a customer name (including the name of a contact person, a current telephone number, a facsimile number, and e-mail address); and
 - e. Each project description should identify whether the work was performed as the prime Contractor or as a Subcontractor. If a bidder performed as the prime Contractor, the description should provide the originally scheduled completion date and budget, as well as the actual (or currently planned) completion date and actual (or currently planned) budget.
2. Contractor and Subcontractor(s) experience should be listed separately. Narrative descriptions submitted for Subcontractors should be specifically identified as Subcontractor projects.

3. If the work was performed as a Subcontractor, the narrative description should identify the same information as requested for the Contractors above. In addition, Subcontractors should identify what share of contract costs, project responsibilities, and time period were performed as a Subcontractor.

C1 Response:

City of Santa Monica

Anne Saldo

310.458.8381

anil@nadella@smgov.net

The City of Santa Monica migrated 13,000+ users from Lync Server 2013 to Teams GCC. This allowed the City of Santa Monica to be on the latest version of Microsoft's collaboration platform and take advantage of new features. The City of Santa Monica also integrated their existing Cisco environment with Teams GCC that allowed for enhanced collaboration. In addition to the voice features that were implemented, there were also several conference room video endpoints that were integrated to the overall solution.

Cushman & Wakefield

Robert McDougall

312.470.1800

Robert.mcdougall@cushwake.com

Cushman & Wakefield started deploying Teams GCC at new offices. Based on the belief that the network was correct due to it being net-new, Cushman & Wakefield enabled users at several offices only to find out that the voice quality was not acceptable. Working with C1 (formerly SPS) and Microsoft, Cushman & Wakefield was able to find several issues and remediate them quickly. By utilizing the same methodology prior to subsequent site turn ups, Cushman & Wakefield was able to deliver a high quality Unified Communications experience to their users. The remediation and implementation steps were:

- Assess each sites network health using Network Site Assessment tool
 - Deliver best practices on how to properly utilize Skype Online workloads to minimize network impact
 - Walked through Skype Online design best practices for internet and WAN connectivity to minimize network impact
- Work with site leads to prepare users for Skype Online voice and conferencing
 - User readiness preparation and training completed prior to cutovers to maximize successful adoption rates
- Work with customer voice architects to best design on-premises voice integration and PSTN connectivity
 - Some sites leveraged Cloud Connector on-premises edition using local PRI/SIP Trunks

- Some sites leveraged Microsoft hosted Cloud PSTN Calling capabilities
- Work closely with customer architects and executive sponsors to ensure global rollout to all sites were properly scheduled
 - Ensure voice gateway cutover timing to minimize customer impact
 - Porting numbers into Skype online required close collaboration with local site teams to ensure success

VMware

Rakesh Gajwani

650.427.1000

rgajwani@vmware.com

VMware undertook an initiative to replace their Avaya with Teams GCC. The main catalyst for this change was a desire to have a Unified Communications platform. VMware had many disparate technologies deployed across the enterprise and the costs associated with them. With a goal of standardizing on a single platform, VMware engaged C1 (formerly SPS). Working alongside the VMware team, C1 designed and proposed a Teams GCC solution that encompassed conferencing as well as a PBX replacement.

- Worked alongside VMware experts to virtualize the Teams GCC infrastructure
 - Provided IOPs metrics and performed tests against VMware's SAN to ensure disk I/O
 - Documented the results to create a VMware Best Practices whitepaper that was presented at VMworld 2016 and 2017.
- Rapidly deploy conferencing to 30,000 users to replace existing, more expensive solutions
 - Reduction of cost of existing solutions by 2 months paid for the project
- Design a co-existence plan to provide a seamless experience to users
 - Integrated dial plan to allow for the continued use of 5 digit dialing globally
 - Users could be moved from the Avaya to Teams GCC with no impact to business operations
- Work with VMware's network team to ensure voice quality as they redesigned their global network to support VoIP
 - Testing of network routing
- Design and plan for compliance requirements in regions such as India and China
 - Success was measured by the solution being DOT certified in India

Summary of Bidder’s Proposed Personnel/Management Approach

The bidder should present a detailed description of its proposed approach to the management of the project.

C1 Response:

Project Management Methodology

C1 will provide Project Management Services to help you effectively manage the project and control risks in the deployment. C1 will designate a Project Manager who will act as the single point of accountability for all C1 contract deliverables for the duration of the Project.

Skype Operations Framework

C1 follows the Microsoft Skype Operations Framework for project delivery for Teams GCC Online. The Skype Operations Framework (SOF) is a comprehensive guide and toolset for implementing and managing a reliable, cost-effective communications service based on Teams GCC.

Key elements include an iterative delivery process, clear project metrics, proactive risk management, and effective response to change. The diagram to the right depicts the Skype Operations Framework.



Project Management

C1 will designate a Project Manager (PM) responsible for overseeing the project. Once the contract is signed and accepted by C1, this individual will act as the State’s single point of contact for all planning and issues related to solution delivery. The C1 PM will work closely with the State to guide the implementation and work on a mutually agreed upon schedule.

The C1 Project Manager will setup a secure SharePoint site hosted by C1 for all documentation relating to the project. The site will remain active and accessible by the State after the project completion. The C1 Project Manager is responsible for the following:

- Conduct internal (C1) and joint C1/State meetings
- Develop project plan, including activities, milestones, roles and responsibilities
- Schedule and manage required C1 resources and partners
- Conduct Issue and Risk Management
- Provide agenda and meeting notes
- Track customer and C1 project deliverables
- Manage Change Requests and any associated billing with the State
- Manage Project Closeout process, punch list and State acceptance

Project Meetings

The following schedule of meetings will be used to review project status. The required roles and participation will be defined during project kick-off.

Type	Goals	Frequency	C1 Roles	Activity Owner
Project Status	Talk to status of the project, track the key milestones and blockers	Weekly	Project Manager Lead Engineer	Project Manager

The bidder should identify the specific professionals who will work on the State’s project if their company is awarded the contract resulting from this RFP. The names and titles of the team proposed for assignment to the State project should be identified in full, with a description of the team leadership, interface and support functions, and reporting relationships. The primary work assigned to each person should also be identified.

C1 Response:

C1 structures our Global Account Team around the National Account Managers (NAMs), Lisa Porter and John McCaslin. The NAMs are the primary point of contact for the State, with responsibility for the overall relationship. The NAMs have a vast amount of resources within C1 that can be leveraged to support the State, including Design Specialists, Sales Engineers, Contact Center Architects, SIP Engineers, UC Specialists, Managed Services Directors, and more. C1’s approach to supporting customers is to create a team dedicated to the customer to ensure consistent and timely support. We are very focused on providing abundant resources to support our accounts with the best possible customer service. The NAMs have full access to the entire team and a large quantity of backup resources.



C1 Team

Name	Role
Account Management	
Lisa Porter	Senior National Account Manager
John McCaslin	National Account Manager
Darren Marie	Solutions Architect
Shawn Landau	Senior Solutions Architect, Microsoft
Chris Gehrke	Managed Services Expert
Assigned Upon Contract Award	Project Manager
Implementation Team	
Assigned Upon Contract Award	C1 Team <ul style="list-style-type: none"> Project Manager C1 Teams GCC Architect C1 Teams GCC Engineer Business Architects (per specialty area, e.g., Call Accounting, Automated Deployment, SBC, Analog) Managed Services Transition Manager
Assigned Upon Contract Award	Technicians
Assigned Upon Contract Award	Trainers
Service Delivery Operations Team	
Assigned Upon Contract Award	CSC Voice Operations Team
Assigned Upon Contract Award	Customer Success Manager

The bidder should provide resumes for all personnel proposed by the bidder to work on the project. The State will consider the resumes as a key indicator of the bidder's understanding of the skill mixes required to carry out the requirements of the RFP in addition to assessing the experience of specific individuals.

Resumes should not be longer than three (3) pages. Resumes should include, at a minimum, academic background and degrees, professional certifications, understanding of the process, and at least three (3) references (name, address, and telephone number) who can attest to the competence and skill level of the individual. Any changes in proposed personnel shall only be implemented after written approval from the State.

C1 Response:

Lisa Porter, Senior National Account Manager

As a Senior National Account Manager with C1, Lisa's primary focus is working with her team to solve customer business problems using technology solutions.

- Consultative sales professional and senior management positions with over 30 years in the Communications and Data industry
- In-depth experience with Business Technology Services and Business Recovery Services
- Consultative approach on a wide range of communication products and services including PBXs, IP PBXs, Call Centers and Data Networking
- Customer-service focused and strives for 100% customer satisfaction

References

City of Lincoln
Steve Henderson
Chief Information Officer
402.441.7823
shenderson@lincoln.ne.gov

First National Bank of Omaha
Tony Manna
Manager of Communications
Systems
402.602.7069
tmanna@fnni.com

**Berkshire Hathaway
Media Group**
Bob Grate
Director of IT
402.444.1638
bob.grate@bhmginc.com

John McCaslin, National Account Manager

John McCaslin is an advisory National Account Manager with over seven years' direct experience in helping Healthcare IT organizations meet their operational, administrative, and financial objective in a rapidly changing IT landscape disrupted by HIPAA/HITECH regulatory changes designed to maintain the privacy and security of patient health information, reduce cost, and improve healthcare delivery. Special focus on EMR deployments requiring IT infrastructure upgrades to meet CMS Meaningful Use Attestation (Stage 1-4) standards. John's certifications include Cisco Certified Sales Expert (CSE), Certified Electronic Health Record Technology (CEHRT) certification – Athena Health Meaningful Use Training courses, Healthcare Sales Training – EMC, and VMware Sales Professional 5 (VSP 5).

References

University of Nebraska, Lincoln
Michael Hansen
Manager, Voice Engineering
402.472.2014

St. Anthony Regional Hospital
Randy Eischeid
Network Manager
712.794.5010

University of Nebraska, Omaha
Beth Coughlin
Manager, Telecom Services
402.554.4844

Darren Marie, Solutions Architect

Darren is a Solution Architect who has been with C1 for 22 years. His primary responsibility is working with clients to help them understand how technology can enable them to address the challenges which will help them achieve their business goals. With a broad background in voice / data networking, product management and business fulfillment, Darren brings a multifaceted view to assisting our clients. He has almost 28 years of industry experience and has been through multiple evolutions of technology. Darren works in the pre-sales phase by providing engineering level support assisting in the discovery phase to identify applications, and make solution recommendation(s). This includes participating in customer presentations, seminars, and demonstrations. The goal being to design data and/or voice network solutions, VoIP convergence solutions, and unified messaging solutions utilizing “Best-of-Breed” products carried and supported by C1.

References

Subaru of Indiana Automotive
Jake Heriges
Group Leader,
Information Systems
765.449.6267
jacob.heriges@subaru-sia.com

KAR
Nick Thompson
Senior Telecom Engineer
317.249.4444
nicholas.thompson@karauctionservices.com

Archer Daniels Midland
Jason Anderson
Manager, Global Unified
Communications
859.905.1928
jasonanderson@adm.com

Shawn Landau, Manager, Technical Solutions-Microsoft

Shawn is a pre-sales architect who focuses primarily on Microsoft technologies. Before joining C1, he was part of the team at Microsoft responsible for some of the first customers deploying Microsoft’s Enterprise Voice. Shawn has worked with multiple Fortune 1000 customers mostly as it relates to Unified Communications and now Modern Workplace. With a deep knowledge of the multiple PBX vendor ecosystems, Shawn brings a holistic view of the entire ecosystem to our clients.

References

NBC Oklahoma
Jeff Edmonds
SVP, CIO
405.748.9144
jedmonds@nbcok.com

City of La Quinta
Gilbert Villalpando
Assistant to City Manager
760.777.7094
gvillalpando@laquintaca.gov

Fiserv Lending Solutions
David Guan
610.337.8686
david.guan@fiserv.com

Chris Gehrke, Managed Services Expert

Chris is a pre-sales resource that is tasked with designing complex, customized managed services and cloud offers for our clients in order to help them meet their business objectives. He has over 20 years of experience in the telecom industry, and has worked with multiple Fortune 500 companies. His goal is to ensure that C1 is operating as a direct functional extension of your staff, and to help validate that our clients are getting the most value from their solutions via ongoing management, support, and continual service improvement.

References

State of Michigan
Network & Telecommunications
Services Division
Department of Technology,
Management & Budget
Quy-Phuong Chuang
Telephony Services Manager
517.284.7351

Grand Traverse County
Randy Filkins
IT/Telecommunications
Department Manager
231.922.4744

Diebold Nixdorf
Global IT Network
Operations Team
Robert Stalnaker I ACE, APDS –
SIP, UC, Call Center
Global Technical Lead I
Unified Communications
330.490.3771

Assigned Upon Contract Award, C1 Project Manager

A project manager will be assigned upon award of the contract. Below, please find experience level, skills and education/certification requirements of C1 project managers.

Experience Level

The Project Manager will have a minimum of 10 years of work experience. C1 Project Managers have extensive experience managing large, complex technology initiatives from various positions across diverse stakeholder groups including customers, vendors, service providers and other external parties.

Skills and Competencies

- BA/BS degree or equivalent experience
- Telecom experience, including but not limited to Unified Communications, Contact Center, Unified Messaging, IVR, Call Recording, Workforce Management, and Reporting
- Experience devising a strategic roadmap
- Excellent written and oral communications skills that are audience appropriate with appropriate style and delivery to influence audience at various levels of seniority.
- Experience creating and maintaining project plans, issue logs, risk registers, and status reports
- Strong project management skills and experience working with executive-level management
- Well versed in project planning, scheduling and prioritization, and driving issues to resolution
- Self-starter with demonstrated experience working collaboratively and cross-functionally

- Ability to develop and cultivate relationships
- Strong organizational skills with a commitment to detail
- Ability to drive resolution of expected and unexpected challenges
- Ability to build and lead teams
- Financial Management

Technical Resources

C1 technical resources are assigned to contracted projects when availability is assessed. All C1 technical personnel assigned to a project are experienced and certified in the proposed solution. An integral part of the “On-Boarding” process is to ensure a match of the skill sets of our technical resources with the project implementation.

C1 will identify a team upfront and provide information about those individuals, but cannot guarantee their availability without some assurances from the State as to timeframe for project kickoff and at a minimum, a written intent to award the bid to C1. C1 technical team members could include:

Assigned Upon Contract Award, C1 Convergence Team:

- C1 Teams GCC Architect – Responsible for complete project technical design, delivery of technical design documents, and resolution of any escalated issues.
- C1 Teams GCC Engineer – Responsible for implementation of the Teams GCC solution
- C1 Convergence Engineer – Configures Session Border Controller and other applicable network resources for integration with Teams GCC

Assigned Upon Contract Award, Technicians

The Technicians are dedicated to installing all phases of the systems. The Resource Scheduler will work closely with the Project Manager to make sure the technicians are scheduled to perform the work according to installation standards and technical specifications. The Technicians have responsibility for:

- Inventory of equipment
- Installing the system, system wall-field, cross-connects, adjuncts, and peripherals (if applicable)
- Preparation of training room with the End-User Trainer
- Installing terminals and button labels
- Verifying that all outside facilities are tested
- Identifying and clearing system troubles
- Disconnecting existing equipment (if appropriate)
- Troubleshooting end-user problems

Assigned Upon Contract Award, Trainers

The Trainers are responsible for providing remote and/or on-site training for State executives, IT staff, and end-users on station features, system functionality and use of voice terminals and voicemail. The Trainers will:

- Prepare training documentation
- Determine training room requirements
- Instruct system administration, contact center supervisor/agent, and end-user training sessions

Communications Operations Team

C1's Voice Operations Team provides services to our customer's communications environments by leveraging expert resources within our 7x24x365 CSCs. The C1 team supporting this engagement will be comprised of a combination of dedicated and designated resources. This combination of dedicated and designated resources allows for a core team of dedicated resources to provide day-to-day support of your environment while providing designated resources to supplement the team for support of certain scheduled activities, as well as, provide additional support during periods of peak activity. This structure allows for the most cost effective solution while still caring for your on-going support demands.

Both groups of resources are trained on the specific supported environment and contractual support entitlements, and are intimate with all relevant support processes and procedures. The C1 resources assigned to support a customer are deployed across C1's CSCs, as well as, on premise as necessary.

C1 is very focused on providing abundant resources to support our accounts with the best possible customer service. Client satisfaction, loyalty, and advocacy are at the center of the C1 corporate culture and are critical components in meeting our long-term objectives. Improving the C1 client experience in all areas of our business is our ultimate goal.

C1 Team References

Many of our clients do not permit us to share confidential data in RFP responses, and in many instances we are bound by contractual obligations to not share client information. At this early stage in the RFP process, and with the proliferation of RFPs, it would be a dis-service to our customers to list them as a reference and be subject to frequent interruptions, a situation that we believe the State would prefer not to experience. We have provided a sampling of our customers below and once the State has made initial determinations for a "short list" of candidate vendors, we will be happy to provide-contact information for these clients at that time. Please contact the C1 National Account Manager, Lisa Porter, to arrange reference calls.

- Citrix – 7,000+ Skype Voice users
- City of Santa Monica - 10,000+ Skype Online Voice users
- Cushman & Wakefield – 40,000+ Skype Online Voice users
- Piedmont Municipal Power Agency – 8,000+ Skype Online Voice users
- VMware – 13,000+ Skype Voice users

Dedicated Support and Repair Team

The bidder must provide a single point of contact who is qualified to support the activities of order, installation and repair. The bidder must provide a list of personnel who will be assigned to the contract resulting from this RFP, as well as a current resume for each.

C1 Response:

C1's governance model establishes an open communication between C1 and the State in order to build strong relationships between the partners, provide a forum to discuss and address the State's evolving business requirements and identify changes necessary to accommodate those requirements, for raising issues that require cooperation between the parties for quick resolution. C1's account governance model is comprised of two teams responsible for account management and voice operations. Your Account Team will provide regular account status through scheduled meetings to include members of both the Account Team and Voice Operations Team.

Project Manager

The Project Manager (PM), who manages the overall implementation, will assemble a team of experts who will be responsible for various activities throughout the installation and cutover process. The PM has responsibility for:

- Developing project milestones
- Managing, coordinating, and monitoring project activities
- Scheduling resources to conduct the system software review
- Ensure Quality Assurance Review (QAR) performed (if needed)
- Identifying and escalating any project jeopardy
- Scheduling end-user training
- Monitoring cutover of the system
- Coordinating the post-cutover help desk

Customer Success Manager

The Customer Success Manager will understand the State's business and act as an extended member of the Voice Operations team to maximize the State's investment in the services purchased from C1. The Customer Success Manager will work with the State to maximize the uptime and efficiency of your telecommunications infrastructure by planning and advocating change, driving communications and managing escalations when problems occur.

Additional responsibilities of the Customer Success Manager will include, but are not limited to:

- Act as a single point of accountability between the State and C1
- Assure that services are being delivered in accordance with established service objectives

- Evaluates and validates problems; assisting in driving problem resolution
- Assist in determining the level of services needed by the State to support your business
- Interface primarily with the Voice Operations Team (service deliverers) to ensure that excellent service is provided
- Takes responsibility for and manages positive State satisfaction levels
- Escalating, managing and driving resolution for all State incidents and problems
- Leads conference calls with an extended virtual team, which could span several different organizations, to drive service delivery and service resolution
- Work with Project Managers to oversee fulfillment of incremental service requests
- Analyze and review service performance against service objectives
- Provide quarterly reports detailing past service history and metrics specific to the State's operations and requirements

Voice Operations Team

The ConvergeOne team supporting the State will be comprised of a combination of dedicated and designated resources. This combination of dedicated and designated resources allows for a core team of dedicated resources to provide day-to-day support to the State's environment while providing designated resources to supplement the team for support of certain scheduled activities, as well as, provide additional support during periods of peak activity. This structure allows for the most cost effective solution while still caring for the State's ongoing support demands.

Both groups of resources will be trained on the State's supported environment and support entitlements, and will be intimate with the State's support processes and procedures.

All ConvergeOne technical personnel assigned to the State will be experienced and certified in the solutions included in the supported State environment. An integral part of the "On-Boarding" process is to ensure a match of the skill sets of our team members with the State's requirements.

Please note: the dedicated and designated resources will be based on the final scope of work. ConvergeOne is committed to providing abundant resources to support the State and will adjust support for the State based on the final scope of work and requirements of the State to ensure the best possible customer service and support.

The State reserves the right to require the Contractor to replace any account team representative when the State determines that their performance is less than satisfactory. The Contractor must agree to make any requested replacement within 30 calendar days.

C1 Response:

Acknowledged.

The bidder must provide a list of contacts and telephone numbers for personnel who can be called upon during emergencies. These contacts must have the authority to expedite the installation and/or restoration of State service, and be willing to work directly with OCIO personnel 24 hours a day, 365 days a year. These Contractor personnel may be contacted periodically and their contact numbers verified as the OCIO conducts preparedness exercises.

C1 Response:

C1's Voice Operations Team provides services to our customer's communications environments by leveraging expert resources within our 7x24x365 CSCs.

As part of the transition process, C1 will provide the Cloud and Customer Success Centers contact and escalation list to the State's authorized representatives. The escalation list begins with the Customer Success Manager, escalates to the Directors, and includes the VP, Maintenance and Managed Services.

Personnel and Management Approach

A major factor in the success of the Project is the degree of collaboration between Contractor staff, the OCIO, and Agency staff. The Contractor is expected to work with key OCIO stakeholders, management and subject matter experts throughout the business and technology enterprise when conducting the project activities and developing the work products and deliverables. The Contractor is required to propose a project approach that incorporates the involvement of the OCIO staff in order to obtain information and feedback necessary to produce quality work products and deliverables.

In recognition of this, the OCIO has established a dedicated project team and management structure that will participate with the Contractor on the project. The bidders shall propose a project approach that incorporates assignments to the OCIO staff to affect knowledge transfer and collaborate in producing project deliverables. The meaningful participation of the OCIO throughout the project is critical to the successful operation of the VOIP system. While OCIO staff will participate in all contract activities, the Contractor remains responsible for the creation of all deliverables.

C1 Response:

C1 will conduct regularly scheduled business review meetings to include members of the C1 Account Team and Voice Operations Teams, and key State stakeholders. During the regularly scheduled meetings the team will review the following topics as relevant:

- Key service requests, trends/chronic issues and escalations that occurred during the period.
- Review service reports and C1's performance against service level agreements.
- Note issue/concerns with respect to the products and/or services provided.
- Review new service requirements of the State and/or new service offerings from C1 that offer increased value to the State.
- Product Roadmap discussion:
 - Review product lifecycle of current deployed products within the State's voice environment.

- Provide information relative to new products, features, upgrades that may be of interest to the State for deployment within their environment.
- Status of any current or planned projects.

Project Manager

The Bidder's proposal must describe policies, plans and intentions with regard to maintaining continuity of key personnel and the implementation team assigned to the project to avoid and minimize the impact of necessary staff changes.

C1 Response:

Our people are an integral part of services delivery provided by C1. We pride ourselves on staff continuity and can report that many of our customers have had the same staff in place since contract inception. For example, a County government customer has had the same team in place for over six years.

In the event that a staff member moves on from C1, we have an established database (ATS) of talent to draw upon when needed; we can react quickly and expertly to resource requests. The talent pools we access have been long established and the relationships are concrete. In order to process the needs of the organization and our customers, we have worked diligently to create effective and efficient processes to meet customer's needs and onboard talent.

Subcontractors

If the bidder intends to Subcontract any part of its performance hereunder, the bidder should provide:

- a) name, address, and telephone number of the Subcontractor(s);
- b) specific tasks for each Subcontractor(s);
- c) percentage of performance hours intended for each Subcontract; and
- d) total percentage of Subcontractor(s) performance hours.

C1 Response:

AudioCodes

27 World's Fair Drive

Somerset, NJ 08873

732-469-0880

C1 has engaged AudioCodes to provide Session Border Controllers and IP Phones for the State.

Session Border Controllers (SBC)

AudioCodes' Mediant session border controllers (SBCs) deliver seamless connectivity, enhanced security and quality assurance for enterprise and service provider VoIP networks.

In the enterprise environment, SBCs form an effective demarcation point between the business's VoIP network and the service provider's SIP trunk, performing SIP protocol mediation and media handling (interoperability), and securing the enterprise VoIP network.

In the service provider core, AudioCodes SBCs can function as peering SBCs between operator networks or as access SBCs delivering security and protocol normalization.

The Mediant family of SBCs includes a range of platforms that offer cost-effective SBC and hybrid functionality (SIP to TDM, SIP to SIP).

IP Phones

The AudioCodes 400HD series of IP phones is a range of easy-to-use, feature-rich desktop devices for the service provider hosted services, enterprise IP telephony and contact center markets. Based on the same advanced, field-proven underlying technology as our other VoIP products, AudioCodes high quality IP phones enable systems integrators and end customers to build end-to-end VoIP solutions.

AudioCodes IP phones can be offered as part of our Managed IP Phones solution, which defines the IP phone as an IT-managed entity and delivers unique and complete lifecycle management of end-user desktop devices.

Should the State request C1 to place phones, we will engage our established partner for the following subcontractor as smart hands for the C1 engineer who directs their efforts:

High Wire Networks

30 N. Lincoln Street

Batavia, IL 60510

317.752.6738

High Wire provides Professional Services to ConvergeOne which includes:

- Smart Hands to Smart people.
- Smart Hands in every major city in the US.
- Cabling (low voltage)
- Wireless (Surveys/Installations)
- Electrical

High Wire is vendor agnostic with specialties in Cisco and Avaya, Aruba and Palo Alto and Microsoft.

Previous Projects

- Large national automotive glass repair company – 88 locations of Rack and Stack – Network Upgrades
- Large regional medical center – 1M sq/ft Hospital – Wireless Site Survey
- Large Medical Services provider – Cisco IP Phone placement – 3500 phones

TECHNICAL APPROACH

The technical approach section of the Technical Proposal should consist of the following subsections:

- a. Understanding of the project requirements;
- b. Proposed development approach;
- c. Technical considerations,
- d. Attachments A and/or B,
- e. Detailed project work plan; and
- f. Deliverables and due dates.

C1 Response:

Comply.

Understanding of the Project Requirements

C1 Response:

The ideal replacement hosted VOIP solution to replace the State's legacy Centrex voice platform that meets current Voice requirements as well future needs 10-15 years down the road, is the following: C1 is proposing Microsoft Teams Government Community Cloud (GCC) Telephone Service for Enterprise Voice with AudioCodes Session Border Controllers and IP Phones.

Microsoft Teams GCC

Teams GCC Telephone Service is a next-generation cloud communications service that connects people in new ways, anytime, from virtually anywhere. Transform your interactions with colleagues, customers and partners from today's hit-and-miss communication to a more collaborative, engaging, and effective experience.

Microsoft Teams GCC allows you to find and quickly connect with the right person through instant messaging (IM), Skype video calls or online meetings - all within the Office applications you already use every day.

The Microsoft Teams GCC Server can support a range of business sizes, from small enterprises to large organizations with up to 100,000 users spread across multiple remote sites.

While Teams GCC is a very robust tool, we have outlined the key features of the product below:

Teams GCC Voice

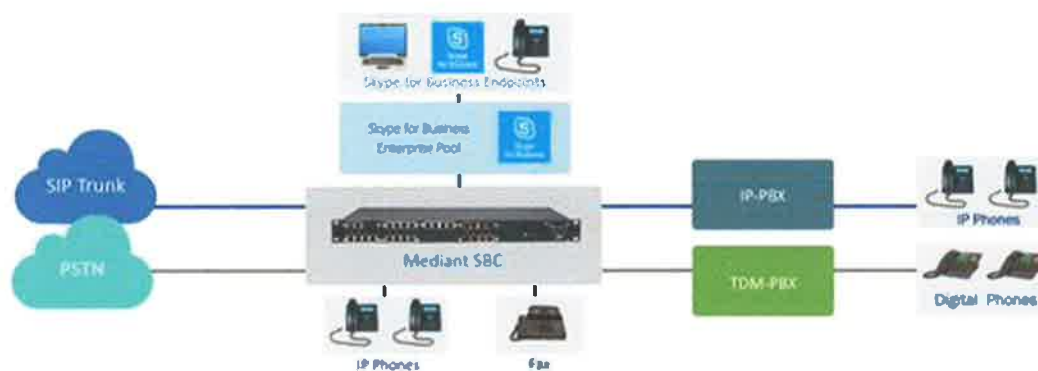
- Person-to-person calling - Teams GCC provides voice-over-IP (VoIP) calling over State provided SIP Trunks, network and the Internet to users in your company, Teams GCC users in other

organizations, and Skype consumer users around the world. Users can easily add video or content sharing to any call.

- Dial by name, from Office - Reach people easily, when you need them, with a single touch or click from your contact list in Teams GCC, or the contact card in any Office application.
- Skype connectivity - Connect, communicate, and collaborate with colleagues, consumers, other businesses, and friends and family—anyone who uses Skype—with both voice and HD video.
- Anywhere access - Make and receive business calls in the office, at home, or on the road, using your business number on your smartphone, tablet, PC, or desk phone. With Office 365, your calls come to you.
- Teams GCC Telephone Service is integrated with Active Directory which will streamline system administration.

AudioCodes Session Border Controllers

AudioCodes Session Border Controllers (SBC) offer direct SIP connectivity between existing enterprise voice infrastructure, Teams GCC, the PSTN and SIP trunking services. This is provided Teams Direct Routing services.



Key features

- Microsoft-qualified platforms
- Secured SIP trunk connectivity
- Teams GCC migration support with advanced routing features and add-on software solutions
- TDM and IP-PBX integration
- PSTN connectivity
- Integrate with a variety of fixed and mobile end-points
- Real-time voice quality monitoring
- Centralized management

AudioCodes Phones

AudioCodes' Managed IP Phones solution defines the IP phone as an IT-managed entity and delivers unique and complete life-cycle management of end-user desktop devices. The solution provides administrators with powerful and easy-to-use tools to simplify tasks such as configuration, troubleshooting and monitoring to increase efficiency and ensure user satisfaction.

AudioCodes' One Voice Operations Center provides the essential tools needed to ensure a smooth IP phone deployment. Its IP Phone Manager component enables zero-touch, predefined configuration, auto-provisioning, remote mass software upgrades and much more.

AudioCodes IP Phone Manager enables administrators to offer a reliable desktop phone service within their organization. With the ability to deploy and monitor AudioCodes IP phones, identify problems and fix them rapidly and efficiently, AudioCodes IP Phone Manager delivers employee satisfaction, increased productivity and lower IT expenses.

C1 has proposed the following AudioCodes phones. Key differentiators include:

- Support native Teams GCC SILK codec for higher voice quality
- Support survivability at remote locations with OVR
- Managed by IP Phone Manager with single pane view of all phones with inventory control, management, troubleshooting, and zero touch automated upgrade/configuration.

Standard

C1 proposes the AudioCodes 405 IP Phone. The 405 IP Phone is a low-cost, entry-level IP phone designed to offer the essential everyday features that the modern business environment demands.

- Full duplex speaker phone and headset connectivity
- 2 lines, 2 concurrent calls per line
- Graphic multi-lingual LCD (132 X 64)
- 4 programmable soft keys
- PoE or external power supply

Advanced

C1 proposes the AudioCodes native Microsoft Teams C450HD IP Phone. The C450HD IP Phone is a feature-rich, executive high-end business phone for the Microsoft Teams and Teams GCC market. The C450HD is equipped with a large 5" color touch screen, integrated Bluetooth and optional integrated Wi-Fi.

- Native Microsoft Teams and Teams GCC Online, on-premises and hybrid
- 8 line, 2 concurrent calls per line
- Graphical 5" color TFT screen (1280 x 720) with multi-lingual support
- Touch screen user interface enabling up to 8 programmable keys

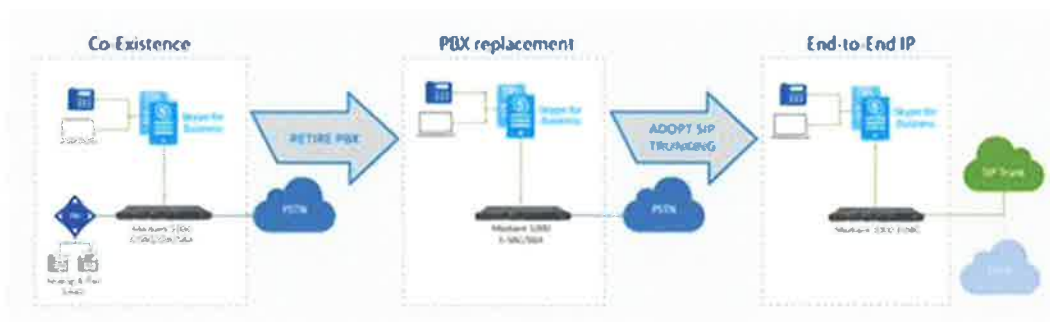
- GbE support
- 2x USB headset support
- Expansion module support (roadmap)
- Bluetooth headset support
- Wi-Fi support (optional)

Please see *Appendix 6 – AudioCodes Managed IP Phones Solution*.

Migration off of Legacy Environment to the Cloud

C1 delivers a comprehensive solution for migration, integration and SIP trunking connectivity within Teams GCC environments through a pair of AudioCodes gateways and C1 migration professional services. Offering compatibility with virtually any PBX or unified communications (UC) platform, AudioCodes’ simplified dialing plan with Active Directory integration protects investment in legacy equipment and enables administrators to achieve a smooth, controlled migration to Microsoft UC.

Smooth Migration to Teams GCC Enterprise Voice



Highlights

- Broad TDM and SIP interoperability
- Scalable and reliable platforms
- High availability configurations
- Advanced voice quality mechanisms and monitoring
- Built-in Active Directory integration

Benefits

- Enables smooth migration from legacy PBX /IP-PBX to Microsoft UC
- Extensive interoperability ensures coexistence with disparate platforms
- Investment protection for legacy equipment
- Reliable and secured SIP trunk interconnection for increased flexibility and reduced costs

Microsoft Day 2 Support

C1 has included managed services and support, which provides 24-hour proactive monitoring via C1 One Vision (powered by Nectar), remote telephone support, remote diagnostics, troubleshooting, problem resolution, software maintenance and software release management, patching and cumulative updates, and any on-site support C1 deems necessary to resolve a fault. One Vision establishes key metrics to be monitored so that you know about changes to network performance before they affect your users and your business.

C1 is perfectly positioned to provide the State with a comprehensive Teams GCC deployment that is flexible enough to meet any implementation schedule, comprehensive enough to support your variety of end user needs, and takes advantage of our extensive knowledge of Unified Communications and general telephony to bridge your transition to a modern Unified Communications experience.

Proposed Development Approach

C1 Response:

C1 follows the Microsoft Skype Operations Framework for project delivery for Teams GCC Online. The Skype Operations Framework (SOF) is a comprehensive guide and toolset for implementing and managing a reliable, cost-effective communications service based on Teams GCC.

Key elements include an iterative delivery process, clear project metrics, proactive risk management, and effective response to change. The diagram to the right depicts the Skype Operations Framework.



Implementation and Deployment Approach

C1 is committed to providing the State with the highest degree of design and implementation services available in the industry today.

C1 utilizes the Project Management Institute (PMI) methodologies for project planning. The C1 project manager will schedule a Project Kickoff Meeting, during which the project manager reviews the sales order and related scopes of work. The C1 project manager will then work jointly with the State's team to define project milestones and timelines.

C1 utilizes a web-based software application called Alert, which serves as a project management and services application for our organization. The application holds all documentation from the sales, pre-implementation, implementation, post-implementation, and maintenance phases. As a secure central repository for all customer information, this application allows all members of the C1 implementation team to access and collaborate on project information. This also ensures continuity of the project in the case of a team member's unplanned absence. The information can be quickly accessed, and there is no effect on the project or the State.

The First Day of Business is defined in the project plan and agreed upon by the C1 project manager and the State. This is typically the first business day following the cutover / implementation of the system.

A C1 technician will be on site to provide hands-on support and will be remotely supplemented by the C1 implementation team. Any issues will be addressed by this team. If an issue requires additional resources, they will be assigned and will work with the team already in place.

C1 embraces a culture of continuous improvement. We look to our customers to assist us in the endeavor. The C1 project manager will conduct a post-implementation review with some or all the members of the implementation team. The results of the review will assist in identifying and correcting any breakdowns in delivery of service or equipment. Lessons learned are recorded and applied to future projects.

Technical Considerations

C1 Response:

All technical considerations have been provided within C1's response to this Request for Proposal. Additional assumptions have been provided below:

Service Delivery Assumptions

Services included within projects are always designed and priced to occur over consecutive days. Projects requiring multiple site visits and/or intervals of inactivity between events must be noted as such prior to acceptance of the final Statement of Work. The Project Team has some discretion within these matters but has limitations regarding resource commitments over weekends and Holidays. It is the client's responsibility to notify C1 if the site requires any specialized training/access for personnel and/or Union trades for any tasks associated with the final Statement of Work. Notification of requirements must take place prior to quote. All additional costs for post-quote changes or additional site strictures requiring specialized training or Union Labor shall be chargeable to the client.

Additional Assumptions

- All work will be scheduled in advance. This consulting engagement does not include on-call or emergency support services. C1 provides a separate 24x7 priority support contract for emergency service.
 - Scheduled requests shall be made with prior notice of at least two business days.
 - Engineering scheduling requests are subject to resource availability.
 - C1 will provide a best-effort response for "ad hoc" (unscheduled) requests.
 - In the event Customer requests that a C1 engineer remain on "standby" during a change-control window or other specific time, a standby fee will apply; C1 will submit a project change order for this fee.
- All work will take place during U.S. Business hours unless otherwise noted
- During this project, the client agrees not to make unauthorized changes to the environment. If the client decides to make changes and these changes result in rework, the client will be billed on a T&M basis for diagnosis and remediation of issues related to the unauthorized changes.
- C1 will not be held responsible or liable for security breaches that occur outside of our control. This includes, but is not limited to, application vulnerabilities, malicious activity, or attacks on the client's network.
- Unless otherwise agreed to by the parties, the client will respond within two business days of C1's request for documentation or information needed for the project.
- Delays caused by the lack of site readiness or the client's failure to meet any responsibilities specified in the final Statement of Work shall be billed at time-and-materials rates, including travel and other expenses. Any additional costs incurred by the client because of delays shall be the sole responsibility of the client.

- The client will provide C1 with independent remote access to networks and systems associated with this project using VPN or other technologies agreed upon by both parties.
- The client will provide full administrative-level account access privileges when recommended or required by vendor documentation for all devices and domains directly related to the project. Any additional costs incurred by delays or inability to provide such access will be the sole responsibility of the client.

Attachment A – OCIO Hosted Solution

System Requirements

System Requirements	
OCIO-hosted solution	
SR-1	The State requires that the bidder's solution provide call forwarding, both inside and outside of the system. Describe how the solution meets this requirement.
Bidder Response:	Comply. You can forward calls to another number or Teams contact or ring another number or contact at the same time as your work number. You can forward calls to your current location if you're traveling or working from home, or route calls automatically to a coworker if you're out of the office.
SR-2	The State will use telephone sets in line with computer workstations. All telephone sets provided by the Contractor must include an internal 10/100/1000 baseT switch. Describe how the solution meets this requirement.
Bidder Response:	Comply. Network Interface 2 LAN RJ-45 10/100/1000 Base-T for PC and LAN connectivity
SR-3	The bidder's solution must provide call transfer inside and outside of the system. Describe how the solution meets this requirement.
Bidder Response:	Comply. You can transfer a Teams call to another person or number. For example, if you need someone else to handle the call, you can transfer to them. Or if you need to leave your office, but want to continue your conversation, you can transfer the call to your cell phone.
SR-4	The bidder's solution must provide redial inside and outside of the system. Describe how the solution meets this requirement.
Bidder Response:	Comply. The Teams client and supported end points have the ability to click to call a recent dialed number via the history tab and or via a last dial button present on the Teams device.
SR-5	The bidder's solution must provide caller ID capability for both the called and calling party. This feature must apply to internal and external calls. Describe how the solution meets this requirement.
Bidder Response:	Comply. Caller ID is supported for internal and external calls. Calls from inside your company display a detailed caller ID that pulls information from your corporate directory, showing you a picture and job title instead of just a phone number. You can optionally block the incoming or outbound caller ID for a given user if needed. (Emergency calls will always send the user's caller ID.)
SR-6	The bidder's solution must provide a means of capturing Call Detail Records. Describe how the solution meets this requirement.
Bidder Response:	Comply. We have several online reports including the session details report which contains the following: Dialog ID is the ID for unique identifier of the SIP session. Media type description describes whether the session is a conference call or a P2P session and the type of media used (Audio/Video/Application Sharing).

System Requirements OCIO-hosted solution
<p>Start time is the time when the session started.</p> <p>End time is the time when the session ended.</p> <p>From URI is the URI of the user or service that initiated the session. May be blank if the user initiated the session from a PSTN phone.</p> <p>To URI is the URI of the user or service that was the target of the session initiation. In the case of the conference, this is the organizer's URI. May be blank if the target of the session was a PSTN phone number.</p> <p>From client version tells you the User Agent and version of the client used by the user or service that initiated the session.</p> <p>To client version tells you the User Agent and version of the client used by the user or service that was the target of the session initiation.</p> <p>Conference URL is the SIP URL for the conference, if the session was a conference call. All users in the same conference call will have the same Conference URL.</p> <p>From Tel number is the telephone number that was the target of the session, if applicable. The last digits of the phone number may be replaced with 'x' to protect user privacy.</p> <p>To Tel number is the telephone number that was the target of the session, if applicable. The last digits of the phone number may be replaced with 'x' to protect user privacy.</p> <p>From Endpoint Id is a unique GUID of the endpoint used by the From user. Used to identify whether user is communicating multiple sessions from same endpoint. May be blank if user is using a PSTN phone or if the session was initiated from a service.</p> <p>To Endpoint Id is a unique GUID of the endpoint used by the To user. Used to identify whether user is communicating multiple sessions from same endpoint. May be blank if user is using a PSTN phone, if the session was initiated from a service, or a session failed to establish.</p> <p>Conf Instance is a unique GUID for the instance of the conference using the Conference URL. Recurring meetings will have the same Conference URL, but each instance of the meeting will have a difference Conf Instance.</p> <p>On Behalf Of URI is the URI of the delegator on whose behalf the session is being established.</p> <p>Referred By URI is the URI of the user who referred the establishment of a session.</p> <p>Response Code is the SIP response code for the establishment of the session that indicates if the session was successfully established.</p>

System Requirements OCIO-hosted solution	
	<p>For each session, there is a sub table with different data available depending on the scenario. The following lists the tabs available in the sub table for the From and To user or services.</p> <p>SESSION tab shows data about the machines and operating systems.</p> <p>MEDIALINES tab shows network connectivity information and device information.</p> <p>AUDIOSTREAMS tab shows network performance data about the audio streams involved in session.</p> <p>AUDIOCLIENTEVENTS tab shows data about client detected issues impacting the audio experience.</p> <p>AUDIOSIGNALS tab shows data about the audio signal processing for the session.</p> <p>APPSHARINGSTREAMS tab shows network performance data about the application sharing or desktop sharing streams involved in session.</p> <p>VIDEOCLIENTEVENTS tab shows data about client detected issues impacting the video experience.</p> <p>VIDEOSTREAMS tab shows network performance data about the video streams involved in session.</p> <p>TRACEROUTES tab shows the network hops collected via traceroute during the session. The actual media path used for the session may vary and this data is only available when there is audio in the session.</p> <p>FEEDBACKREPORTS tab shows any end of call survey data provided by the users in the session."</p>
SR-7	<p>Rack space will be provided by the State at both the Lincoln and Omaha data centers. Bidders must propose a solution that provides core redundancy by utilizing both data centers for connectivity between their solution and the SIP PSTN trunks provided by the State. Describe how the solution meets this requirement.</p>
Bidder Response:	<p>Comply. Solution will have a pair of High Availability Session Border Controllers (SBC) at each data center. These will support connectivity to State Provided SIP trunks. The SBCs are currently sized to support up to 1250 SIP Sessions. These sessions will be configured to be shared between both Data Centers for resiliency. In the event a SIP trunk failure, the alternate Data Center and its SIP trunk will take over. Additionally, each data center will utilize Microsoft Direct Routing via Data Center Internet connectivity to the Microsoft Teams environment. Connectivity between the two Data Centers is via a resilient State provided network backbone.</p>
SR-8	<p>Bidders must describe rack space and power requirements necessary for both the Lincoln and Omaha data center locations.</p>
Bidder Response:	<p>AudioCodes Mediant 4000 SBC (x 2)</p>

**System Requirements
OCIO-hosted solution**

Rack Space	1 U
Max Load Input Power	135 W
Total System BTU HR	460.76 BTU

Server for OVOC/IP Phone Manager

Rack Space	1U
Chassis Depth	705.05 mm
Gb Ethernet Ports	2
Power Supplies	750W x 2 Hot plug power supplies with full redundancy

	OVOC (As License Manager Only)	OVOC (As License Manager, Quality Monitoring and Element Manager)	IP Phone Manager Pro
Platform	VMware: ESXi 6.0 Or Microsoft Hyper-V Windows server 2012R2	VMware: ESXi 6.0 Or Microsoft Hyper-V Windows server 2012R2	VMware: ESXi 6.0
Memory	16GB	16GB	32GB
Disk Space	500GB	500GB	1.2TB
Processor	1 core not less than 2.5 GHz	1 core not less than 2.5 GHz	6 cores not less than 2GHz each

SR-9	Telephone sets must support Power over Ethernet (PoE) IEEE standard 802.03af. Provide the PoE current draw and power requirements for each proposed telephone in your proposal.
Bidder Response:	Comply. AudioCodes 400 Series IP Phones power requirements: +12V DC, 1A Power adapter (450HD: +12V DC, 2A) AC 100V-240V and/or Integrated Power over Ethernet - IEEE 802.3af
SR-10	Bidders solution must be capable of restricting toll, and/or international calling from stations designated by the State. Bidder must also restrict dialing to 900/976 numbers. Describe how the solution meets this requirement.
Bidder Response:	Comply. This can be done with calling policies between the O365 tenant and SBC via direct routing.

System Requirements OCIO-hosted solution	
SR-11	The System must be configured so that all internal calling will be 10 Digit dialing. All local calling will be dialed using 9 + xxx-xxx-xxxx, and toll calling dialed using 9 + 1-xxx-xxx-xxxx. Describe how the solution meets this requirement.
Bidder Response:	Comply. The System has support for customized dial plans that support regex pattern matching and digit string normalization.
SR-12	Telephone sets must be repair or replacement guaranteed and supported for the life of the contract including all renewals and extensions. Describe how the solution meets this requirement.
Bidder Response:	Comply. C1 private cloud solution includes next day replacement coverage during the life of the contract including renewals. C1 is also willing to place a moderate level of replacement sets on site for immediate replacement needs.
SR-13	Describe your procedure for replacing non-working telephone sets.
Bidder Response:	Comply. C1 requires notification through the Web Portal to ensure replacement sets are provided within the next business day timeframe noted.
SR-14	Upon Intent to Award, the bidder must provide a list of contacts and telephone numbers for personnel who can be called upon during emergencies. These contacts must have the authority to expedite the installation and/or restoration of State service, and be willing to work directly with OCIO personnel 24 hours a day, 365 days a year. These Contractor personnel may be contacted periodically and their contact numbers verified as the OCIO conducts preparedness exercises. Describe how the solution meets this requirement.
Bidder Response:	<p>Comply. C1's Voice Operations Team provides services to our customer's communications environments by leveraging expert resources within our 7x24x365 CSCs.</p> <p>Escalation Contacts</p> <p>As part of the transition process, C1 will provide the Cloud and Customer Success Centers contact and escalation list to the State's authorized representatives. The escalation list begins with the Customer Success Manager, escalates to the Directors, and includes the VP, Maintenance and Managed Services.</p>
SR-15	The bidder's solution must provide music on-hold. Describe how the solution meets this requirement.
Bidder Response:	Comply. Phone System automatically plays music on hold while a call is on hold, so callers know you're still there.
SR-16	Hunt Group capability must be available with the bidder's solution. Describe how the solution meets this requirement.
Bidder Response:	<p>Comply. Phone System call queues include greetings that are used when someone calls in to a phone number for your organization, the ability to automatically put the calls on hold, and the ability to search for the next available call agent to handle the call while the people who call are listening to music on hold. You can create single or multiple call queues for your organization.</p> <p>Phone System call queues can provide:</p>

System Requirements OCIO-hosted solution	
	<p>An organizational greeting.</p> <p>Music while people are waiting on hold.</p> <p>Redirecting of calls to call agents in mail-enabled distribution lists and security groups.</p> <p>Making settings for call queue maximum size, timeout, and call handling options.</p> <p>When someone calls in to a phone number that is set up up with a call queue, they will hear a greeting first (if any is set up), and then they will be put in the queue and wait for the next available call agent. The person calling in will hear music while they are on hold waiting, and the calls will be offered to the call agents in the First In, First Out (FIFO) manner.</p> <p>All calls waiting in the queue will be distributed using an attendant routing mode or serial routing mode:</p> <p>With attendant routing, the first call in the queue will ring all agents at the same time.</p> <p>With serial routing, the first call in the queue will ring all call agents one by one.</p> <p>Note:</p> <p>Call agents who are Offline, have set their presence to Do not Disturb, or have opted out of the call queue won't be called.</p> <p>Only one incoming call notification (for the call at the head of the queue) at a time will be sent to the call agents.</p> <p>After a call agent accepts the call, the next incoming call in the queue will start ringing call agents</p> <p>You can have 50 agents per queue serving up to 200 calls in queue."</p>
SR-17	Ring down capability must be available with the bidder's solution. Describe how the solution meets this requirement.
Bidder Response:	Comply. Ring down is supported on all AudioCodes 3PIP Phones. Support for ringdown on AudioCodes Teams Native IP Phones (C450HD) is expected in a later release.
SR-18	The bidder's solution must be able to provide IP to analog conversion where needed. Describe how the solution meets this requirement.
Bidder Response:	Comply. Where analog to IP conversion is required, the AudioCodes MediaPack line of appliances is specified. These appliances support anywhere between 2 FXS ports to 288 FXS ports. FXO support is also available in the MediaPack line of devices.
SR-19	The State requires the Do Not Disturb Feature. Describe how the solution meets this requirement.

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Bidder Response:	Comply. Presence is integrated letting internal users know when you are available, away, busy, or on a call. Users can also set themselves as Do Not Disturb which will block all incoming communications, users optionally have the ability to define exceptions - such as key contacts - that they want to allow to bypass Do Not Disturb.
SR-20	The State requires a solution that provides for seasonal suspension on select lines, where the lines and billing are suspended at the end of each season and returned to service at the beginning of the next season. Describe how the solution meets this requirement.
Bidder Response:	Comply. With the Microsoft entitlements that the State will procure via your currently authorized LSP, the Microsoft licensing fee of \$4.04 per user, per month can be suspended for seasonal purposes. All other monthly, per user charges remain in place during any seasonal suspension period.
SR-21	The State requires the ability to block all incoming calls to select lines. Describe how the solution meets this requirement.
Bidder Response:	Comply. All incoming calls to select lines can be blocked utilizing rules in the SBC.
SR-22	The State requires the ability to block specific numbers to select lines. Describe how the solution meets this requirement.
Bidder Response:	Comply. This can be done at the tenant level as well as via relationship groups on the Teams Client.
SR-23	The bidder should be able to mask the outbound caller id with a fictitious number selected by the State when necessary. Describe how the solution meets this requirement.
Bidder Response:	Comply. You can replace a user's Caller ID, which by default is their telephone number, with another phone number. For example, you could change the user's Caller ID from their phone number to a main phone number for your business or change the user's Calling Line ID from their phone number to a main phone number for the legal department. You can change the Calling ID number to any Online service number (toll or toll-free). Optionally, you can block the outgoing Caller ID from being sent on a user's outgoing PSTN calls. Doing this will block their phone number from being displayed on the phone of a person being called. (Emergency calls will always send the user's caller ID.)"
SR-24	The Bidder's solution must be able to send an accurate 10 digit station number to the PSTN on all Toll calls so that the Toll carrier can route and bill appropriately. Describe how the solution meets this requirement.
Bidder Response:	Comply. Teams and Phone System uses E.164 as the default standard for routing calls and digit translation.
SR-25	The State requires call waiting. Describe how the solution meets this requirement.
Bidder Response:	Comply. Phone System can support up to 15 simultaneous calls coming into a user. If a new call comes in the user will hear a stutter town on the headset and see the

System Requirements OCIO-hosted solution	
	incoming call toasted on the Teams client and Teams endpoint devices. The user can pick up that call and put the current call on hold.
SR-26	In a small number of locations the State requires analog paging interfaces. Describe how the solution meets this requirement.
Bidder Response:	Comply. When analog paging systems integrate via FXS or FXS interfaces, AudioCodes MediaPack analog gateways can be used to integrate them to Teams (via the Direct Routing SBC).
SR-27	Describe options for re-routing of voice traffic in the event of a component failure on Contractor equipment.
Bidder Response:	Comply. AudioCodes Teams IP Phones (3PIP Phones) can continue to operate when paired with a local AudioCodes SBC/gateway running the One Voice Resilience (OVR) feature. The feature is available on AudioCodes Mediant SBCs/Gateways and can provide survivability for up to 2000 phones. Larger numbers are possible by using multiple Mediant systems.
SR-28	The State requires conference calling capabilities. How many parties can be conferenced from a single telephone set? Describe how the solution meets this requirement.
Bidder Response:	<p>Comply. The conferencing system supports up to 250 participants per call. The system does not impose a fixed limit on the number of simultaneous conferences or conferees. Instead, total conferencing capacity is limited only by the media types chosen by conference attendees.</p> <p>Merging</p> <p>You can merge two separate calls into one conference call if you're in a call and you want to add another participant to the established call.</p> <p>Merging therefore is in effect similar to adding a participant to a conference. It can be performed via the phone's menu softkey or via the Teams client if the user is paired.</p>
SR-29	Telephone set firmware releases (including dot releases) from the manufacturer are to be tested and certified for use with the Contractor's VOIP Communications platform. Describe how the solution meets this requirement.
Bidder Response:	Comply. C1 Managed Services under the software release management entitlement will provide firmware releases on a quarterly basis, as available.
SR-30	Describe how firmware releases will be rolled out to the States telephone sets.
Bidder Response:	Comply. AudioCodes Phone firmware is deployed and maintained using IP Phone Management software. The software allows for "zero touch provisioning" of the phones. This means that the phones can be configured and updated to the latest firmware when first connected to the network without any end user intervention. Firmware upgrades and patches can be pushed out to the phones by an administrator from IP Phone Manager. This can be done en-masse, to smaller groups of phones (e.g. by department), or individual phones as needed. .
SR-31	Provide a list of wireless headsets that are compatible with proposed telephone sets.

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Bidder Response:	<p>Comply.</p> <p>Jabra – Please see <i>Appendix 7 – Jabra Compatibility Guide</i>.</p> <p>Plantronics – Please see <i>Appendix 8– Plantronics Compatibility Guide</i>.</p> <p>Sennheiser - Please see <i>Appendix 9– Sennheiser for AudioCodes</i>.</p>
SR-32	Describe any administrative interfaces available to the State to manage, configure or change settings on an individual line or group of lines.
Bidder Response:	Comply. Simple MAC Work can be done by the State. Name changes are handled through Active Directory and then AD syncs to the Cloud.
SR-33	Describe how errors and alarms will be reported to the State for issues within Contractor owned equipment.
Bidder Response:	<p>Comply. C1’s Enterprise Vendor Management (EVM) provides the State with a single point of contact for the proposed enterprise solution. With EVM, the State will contact the C1 CSC for support, advanced IT support and vendor management for IT products, applications, and services included in our enterprise solution. Support includes logging of events, notifying appropriate vendors and customer contacts, incident and problem management, and performing escalation management until resolution.</p> <p>The C1 CSCs are staffed with industry certified technical resources located in our three NOCs. The C1 redundant CSC design provides the State with a business continuity support model with 24x7x365 support. All calls are answered by a live person – NEVER a pager or answering service!</p> <p>Customer requests are received by the C1 CSC in several ways:</p> <ul style="list-style-type: none"> • Toll Free call directly from customer • Customer Created Incident via the Web Portal • Alarm receipt notification from Microsoft and AudioCodes servers into the monitoring system <p>As a Microsoft Gold Partner for Communications & Cloud Productivity, C1 holds the highest level of Cloud solutions and Microsoft Teams GCC Support accreditation, providing C1 engineers direct access to level 3 and level 4 Microsoft engineers.</p> <p>After the initial triage, all support issues are handed off to one of the C1 certified engineers. All C1 certified engineers have the ability to perform level 1 through level 3 support.</p>
SR-34	The Contractor may not market their products or services to any State agency except the office of the CIO without prior written permission. Describe how the solution meets this requirement.
Bidder Response:	Comply. C1 will not market any RFP in-scope products or services to any Nebraska State Agency except the office of the CIO without prior written permission.
SR-35	Unless otherwise mutually agreed to in writing, the Contractor will, during the contract period, maintain any and all software and licensing products at their most current version

System Requirements OCIO-hosted solution	
	<p>or no less than one version back from the most current version at no additional charge, provided that such third-party software version upgrades can be installed and maintained with the State staff indicated in the Proposal for the Maintenance and Support services. Any patches made available by equipment manufacturers must be applied by the contractor at a time and date mutually agreed upon.</p> <p>Describe how the solution meets this requirement.</p>
Bidder Response:	<p>Comply. C1 has included managed services and support, which provides software maintenance and software release management, patching and cumulative updates.</p>
SR-36	<p>The Contractor will be responsible for determining the cause for service outages and providing that information to the State at no cost. Those outages that are determined to reside in the Contractor owned or leased facilities must be repaired without cost to the State. In the event the failure is determined to be on the Contractor side of the demarcation point, the Contractor must NOT charge for such failure determination. Describe how the solution meets this requirement.</p>
Bidder Response:	<p>Comply. Incident Management provides lifecycle management; including escalation through the various levels of remote resolution ensuring that service objectives are achieved. C1 will remotely perform event assessment and correlation for incidents that occur on Supported Products identified through proactive monitoring.</p> <p>C1 will be responsible for the following Incident Management activities:</p> <ul style="list-style-type: none"> • Create trouble ticket for final resolution as applicable • Provide case management of trouble tickets referred to C1 until incident resolution. This includes: <ul style="list-style-type: none"> ○ Management of the event assessment and correlation process with engineers within the CSC ○ Escalation management within C1 and State's organizations • Confirm resolution of incident and close trouble ticket with supporting vendor <p>Problem Management</p> <p>The primary objective of Problem Management is to reduce failures to an acceptable risk at an acceptable cost and to ensure that service levels are consistently achieved. C1 will provide a Problem Management solution that will work to understand the underlying cause of an incident, subsequent resolution and prevention. As part of our Problem Management process, C1 will:</p> <ul style="list-style-type: none"> • Identify recurrent incidents and root causes • Work with third parties (vendors, application owners, etc.) to develop such solutions • Provide an intermediate work-around that allows State users to continue working while appropriate resolutions are developed

System Requirements OCIO-hosted solution	
	<ul style="list-style-type: none"> • Ensure the right resources are allocated to resolving each problem • Develop or modify processes to prevent the occurrence or reoccurrence of such problems. • Document the root cause and resolution • Monitor the process to ensure that the problem is resolved • Ensure that vendors comply with the terms of their contracts when involved in problem resolution
SR-37	Provide a description of your basic ACD and UCD features.
Bidder Response:	<p>Comply. Phone System call queues include greetings that are used when someone calls in to a phone number for your organization, the ability to automatically put the calls on hold, and the ability to search for the next available call agent to handle the call while the people who call are listening to music on hold. You can create single or multiple call queues for your organization.</p> <p>Phone System call queues can provide:</p> <p>An organizational greeting.</p> <p>Music while people are waiting on hold.</p> <p>Redirecting of calls to call agents in mail-enabled distribution lists and security groups.</p> <p>Making settings for call queue maximum size, timeout, and call handling options.</p> <p>When someone calls in to a phone number that is set up with a call queue, they will hear a greeting first (if any is set up), and then they will be put in the queue and wait for the next available call agent. The person calling in will hear music while they are on hold waiting, and the calls will be offered to the call agents in the First In, First Out (FIFO) manner.</p> <p>All calls waiting in the queue will be distributed using an attendant routing mode or serial routing mode:</p> <p>With attendant routing, the first call in the queue will ring all agents at the same time.</p> <p>With serial routing, the first call in the queue will ring all call agents one by one.</p> <p>Note</p> <p>Call agents who are Offline, have set their presence to Do Not Disturb, or have opted out of the call queue won't be called.</p> <p>Only one incoming call notification (for the call at the head of the queue) at a time will be sent to the call agents.</p>

System Requirements OCIO-hosted solution	
	<p>After a call agent accepts the call, the next incoming call in the queue will start ringing call agents</p> <p>You can have 50 agents per queue serving up to 200 calls in queue.</p>
SR-38	Provide a description of any ACD or UCD reporting functionality.
Bidder Response:	<p>The reporting lies at the heart of UC Analytics. All reports can be scheduled to run automatically or generated on an ad-hoc basis, users can use either pre-defined system templates or create their own report layout using the report designer then filter and sort reports using the report builder. The reports can also be saved as templates for quick and easy future access. This means that the reporting options are literally unlimited. Reports are generated in MS Word, MS Excel, PDF or CSV format.</p> <p>Creating new reports with only relevant fields is achieved with the report designer by simply dragging and dropping the required CDR fields, once selected you can further amend fields by repositioning, changing the text displayed or other field attributes such as width. If a summary report format is selected it is possible to further customize the field by adding filters such as changing the aggregation method or specific conditions including call type, date range, ring time or service type.</p> <p>Once the new format is satisfactory it is saved and on opening the report builder it is selected and when generated the report will only display the required fields. The report builder is where filters and sorting criteria are defined. General filters can be applied on date, time, call duration, ring time and cost. Call direction and service type can also be selected along with specific call types which can be equal or not equal to those checked. Additionally, you can apply filters at organization level, for specific response groups, call destination, gateways or SBC's, IP Fields such as subnets and device details.</p> <p>If required, the report can then have up to 3 levels of sorting to assist in delivering the information in the easiest to view format. Charts can also be included with up to 5 user defined criteria and a selection of chart types is offered bar, stacked bar, line or pie.</p> <p>Please see <i>Appendix 19 – UCA and Key Features</i> and <i>Appendix 20 – UCA Employee Productivity Reporting and Monitoring</i>.</p>
SR-39	<p>The State requires that the following tasks be performed by the Contractor as part of the installation process:</p>
	1. All programming of VOIP line in Contractors core equipment
	2. All programming or configuration of telephone set
	3. Delivery of telephone set to site
	4. Unboxing and assembly of telephone set at site
	5. Labeling of telephone set and keys

System Requirements OCIO-hosted solution	
	6. Connecting telephone set to Ethernet jack and workstation if applicable
	7. Testing telephone set
	Describe in detail your process for telephone set configuration and installation.
Bidder Response:	<p>Comply.</p> <p>Telephone Set Installation – C1 will perform all telephone set programming and configurations. C1 will deliver sets to the sites, C1 will unbox and assemble the sets, technician will install the telephone to the State designated Ethernet Wiring in place. The technician will test each telephone to complete the installation. As a suggested savings to the state, we do recommend an alternative for smaller sites with less phones. C1 would configure the telephones, ship to the site with clear instructions for the end user to plug the phone in and a test plan with our engineers remotely.</p> <p>Network Assessment - Prior to implementing the Skype for Business solution, C1 will perform a network QAR. This network validation test will evaluate the existing LAN's ability to support VoIP between our Data Centers and your sites. The VoIP readiness test looks for common, network problems that are "IP Telephony-killing impairments" and would prevent a successful IP Telephony deployment. The purpose is to identify those problems, and recommend actions to resolve the identified impairments. It is a snapshot in time that will help ensure success; however, it is not a guarantee of a successful deployment, nor is it a certificate of fitness. This service provides the Customer with a cost-effective review of its existing IP network's ability to support VoIP in association with the pending implementation of a converged solution.</p> <p>Generally a customer must provide a layer 3 switched data network including VLANs isolated for voice devices and applications, DHCP server(s) for allocation of addresses and site specific information, security to prevent unauthorized access to the voice VLANs, and QoS and power requirements to support voice. QoS configurations (tags) are to be provided by the Customer for identifying voice traffic isolated by signaling and media streams. The Customer's network must adhere to strict guidelines to support voice including less than 1% packet loss, less than 100 ms one way delay, less than 20% jitter, and less than 10% broadcast traffic. If multicast is to be used, the switch must support IGMP snooping or CGMP, and the router must support PIM if multicast needs to cross VLANs.</p> <p>C1 will work with the State to improve VLAN segmentation policies and QoS to best support the Skype for Business Enterprise Voice solution.</p> <p>Additionally, C1 will work with the State to modify any firewall rules or routing as needed to optimize the environment. We will help identify zones for E911, and make recommendations best on best practices.</p>

Voice Mail Requirements

Voice Mail Requirements OCIO-hosted solution	
VM-1	The bidders proposed solution must include a centralized voice mail system including system installation, engineering, implementation, maintenance, and support. The State will provide network from the Centralized voicemail system to the telephone sets. Describe how the solution meets this requirement.
Bidder Response:	Comply. All Phone System users will automatically be enabled with Phone System Voicemail. This will allow them to deposit and retrieve voicemails from the Teams clients and endpoint devices. This includes voicemail retrieve/deposit and normal and extended greetings that integrate directly into your Exchange Online mailbox and your out-of-office settings.
VM-2	The Bidder's proposed system must provide "announcement only" mailboxes where the caller cannot leave a message. Describe how the solution meets this requirement.
Bidder Response:	Mailboxes can be configured for announcement only and then disconnect.
VM-3	The State requires unified messaging. Describe the functionality and features of the unified messaging platform included with your proposal.
Bidder Response:	Comply. Your voicemail messages are saved both in Teams and Outlook. You can quickly check them in Teams and choose options to manage your messages. When you receive a voicemail, it will be delivered to you as an email attachment. You can access the voicemail message from the Teams app on your PC, or your mobile phone, desktop-phone, or Mac. You get the voicemail as an email attachment as well as a transcript for the voicemail in the email. All Teams and Clients have Visual Voicemail with Transcription that allows you to see the voicemail or directly listen to it without going into the voicemail box.
VM-4	The bidders proposed solution must include automated attendant features. Describe how the solution meets this requirement.
Bidder Response:	Comply. Phone System has built in Auto Attendant capabilities. These can be used individually, or as part of a Call Queue, to meet typically call routing needs. The typically setup of an Auto Attendant: A) Play a greeting, which could be Text-To-Speech or a recorded Audio File B) Define handling which could be disconnecting the call (such as your "announcement only" scenario), redirecting the call to another user or Call Queue, or to provide a phone menu..
VM-5	The proposed voice mail/unified messaging system must accommodate multiple levels of automated attendant menus of various lengths. Describe how the solution meets this requirement.
Bidder Response:	Comply. This would be accomplished by nesting multiple Auto Attendants together. For example, you might have a top level Auto Attendant that prompts for "1 for HR, 2 for Finance, 3 for IT Helpdesk", the response for each could be passed to a nested Auto Attendant such that if a user pressed 3 (for IT Helpdesk) they could be presented with a new set of options such as "1 for Desktop Support, 2 for Security Issues, etc.). This can be extended as needed.

Voice Mail Requirements OCIO-hosted solution	
VM-6	The proposed automated attendant must support automatic time, day, night and holiday routing schedules. (ie. Route calls to various destination numbers based on day/time). Describe how the solution meets this requirement.
Bidder Response:	<p>Comply. "Business hours are set on each auto attendant. If business hours aren't set, all days and all hours in the day are considered business hours because a 24/7 schedule is set by default. Business hours can be set with breaks in time during the day, and all the hours that are not set as business hours are considered after-hours. You can set different incoming call-handling options and different greetings (which are optional), and Both can be set for business hours and after-hours.</p> <p>Each auto attendant has call-handling options that can be set:</p> <p>You can have the call just disconnect after greeting.</p> <p>You can also:</p> <p>Redirect the call to a Teams Online user who has a Phone System license that is Enterprise Voice-enabled or has Calling Plans assigned to them. You can set it up so the person calling in can be sent to voicemail. To do this, select a Person in your company and set this person's calls to be automatically forwarded directly to voicemail.</p> <p>Redirect the call to a call queue.</p> <p>Redirect the call to another auto attendant that you have set up.</p> <p>Create menu options and play a menu prompt for the person calling. For example: ""Press 1 for Sales, Press 2 for Services. To speak to the operator, press 0 at any time."</p> <p>The same can be done for after hours and holidays. You can add up to 20 scheduled holidays to each auto attendant."</p>
VM-7	The bidder's solution should provide message waiting indicators. Describe the various message waiting indicators included with the proposed solution.
Bidder Response:	Comply. When you receive a voicemail, a notification will alert you on Teams apps, desktop phone, and email app. If the caller hangs-up before leaving a message, you will receive a Missed-Call Notification email with the caller information (if it was not blocked).
VM-8	Describe any limitations to the storage size on the voice mail system. Please state the limit per user.
Bidder Response:	Comply. To simplify operations, reduce complexity and storage costs, voicemail is stored as part of Exchange Online. Each voicemail would be subject to the message limits of Exchange Online, which allows individual messages up to 150MB in size.
VM-9	What are the time limits for recorded greetings?

Voice Mail Requirements OCIO-hosted solution	
Bidder Response:	Comply. The default limit is 5 minutes, but this can be configured between 1 and 10 minutes.
VM-10	What are the time limits for messages?
Bidder Response:	Comply. The default limit is 20 minutes, but this can be configured between 1 and 100 minutes.

State Network Requirements

State Network Requirements OCIO-hosted solution	
SN-1	The State does not allow Multicast across the State's Wide Area Network. Describe how the solution meets this requirement.
Bidder Response:	None of the features listed as being required by the State rely on Multicast. However, should the State require the ability to do a one to many page on IP Phones (as opposed to overhead paging with analog based amplification systems), the phones require Multicast IP to be supported between the initiating phone and the paged IP Phones.
SN-2	The State requires the use of certificate-based 802.1x for network devices. Describe how the solution meets this requirement.
Bidder Response:	Comply. AudioCodes IP Phones support the use of 802.1x to pre-authenticate phones onto the network before they can be assigned an IP address. The Phones also forwards any EAP frames between a PC or laptop that is bridged through the phones Ethernet interfaces in order that the PC/Laptop may negotiate its own authentication onto the network.
SN-3	The bidder's solution must be capable of providing data and signaling confidentiality for all VoIP traffic. The system must meet FIPS 140-2 validated cryptographic hardware modules or software toolkits operated in FIPS mode for all encryption mechanisms. Explain how the proposed solution meets these requirements and provide supporting documentation.
Bidder Response:	Comply. Teams uses FIPS (Federal Information Processing Standard) compliant algorithms for encryption key exchanges. Please see <i>Appendix 10– FIPS 140-2 Addendum</i> .
SN-4	Does your solution require the placement of any equipment other than phones on the State's network? Please provide the physical and logical network requirements in the proposal. What type of remote access is required for Contractor owned equipment?
Bidder Response:	The on-premise components of the solution include the following: <ul style="list-style-type: none"> • Four AudioCodes Mediant 4000 High Availability Hardware Appliances. Each requiring 1U of rack space, Dual universal power supply: 40-60VDC, 17A max., or 100-240 VAC, 50-60 Hz, 7A max , 8 LAN/Corporate DMZ IP Addresses, 1 WAN/Internet DMZ address.

State Network Requirements OCIO-hosted solution															
	<ul style="list-style-type: none"> • AudioCodes One Voice Operations Center Virtual appliance. Requires VMware / Hyper-V virtual guest with 16GB RAM, 500GB Disk and 1vCPU Core not less than 2.5GHz. • IP Phone Manager Pro Virtual Appliance. Requires VMware/Hyper-V virtual guest with 32GB RAM, 1.2TB Disk and 6 vCPU Cores, not less than 2GHz each. • Management access is needed to all six appliances via their management IP addresses. <p>C1 Connectivity Server Please see <i>Appendix 11 – C1 Connectivity Server Specifications</i>.</p>														
SN-5	Provide your bandwidth requirements with regards to the following:														
	any overhead network requirements														
	bandwidth per call														
	bandwidth for management														
Bidder Response:	Please see <i>Appendix 12 – Audio Codec Bandwidth</i> .														
SN-6	What are your network requirements to include but not limited to the following:														
	latency														
	jitter														
	QOS prioritization														
	QOS bandwidth reservation														
Bidder Response:	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Metric</th> <th style="text-align: center;">Target</th> </tr> </thead> <tbody> <tr> <td>Latency (One way)</td> <td>< 50ms</td> </tr> <tr> <td>Latency (Rtt or Round Trip Time)</td> <td>< 100ms</td> </tr> <tr> <td>Burst Packet Loss</td> <td>< 10% during any 200ms interval</td> </tr> <tr> <td>Packet Loss</td> <td>< 1% during any 15s interval</td> </tr> <tr> <td>Packet inter-arrival Jitter</td> <td>< 30ms during any 15s interval</td> </tr> <tr> <td>Packet reorder</td> <td>< 0.05% out of order packets</td> </tr> </tbody> </table> <p>End Point Traffic Marking- Differentiated Services Control Point (DSCP) Differentiated Services (DiffServ) is referred to as a ""coarse grained"" mechanism for classifying and managing network traffic and providing QoS in IP networks. Routers and other devices that implement Layer 3 functions use the DiffServ Control Point (DSCP) to define the packet's priority. QoS is implemented by inserting a 6-bit DSCP</p>	Metric	Target	Latency (One way)	< 50ms	Latency (Rtt or Round Trip Time)	< 100ms	Burst Packet Loss	< 10% during any 200ms interval	Packet Loss	< 1% during any 15s interval	Packet inter-arrival Jitter	< 30ms during any 15s interval	Packet reorder	< 0.05% out of order packets
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State Network Requirements OCIO-hosted solution																	
	<p>value in the Differentiated Services field (formerly the ""Type of Service"" field) in the IP header; 6-bits allows for 64 different priority levels. The priority levels are typically defined as shown here.</p> <p>Recommended DSCP settings</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Traffic Class</th> <th style="width: 30%;">Treatment (DSCP Marking)</th> <th style="width: 40%;">Teams GCC Workloads</th> </tr> </thead> <tbody> <tr> <td>Voice</td> <td>EF (46)</td> <td>Teams GCC and Lync Voice</td> </tr> <tr> <td rowspan="2">Interactive</td> <td>AF41 (34)</td> <td>Video</td> </tr> <tr> <td>AF21 (18)</td> <td>Application Sharing</td> </tr> <tr> <td rowspan="2">Default</td> <td>AF11 (10)</td> <td>File Transfer</td> </tr> <tr> <td>CS0 (0)</td> <td>Anything else</td> </tr> </tbody> </table> <p>The following network performance metrics targets or thresholds are required for a connection from your company's network to the Microsoft network Edge. This segment of the network includes your internal network, this includes all Wi-Fi and Ethernet connections, any company site-to-site traffic over a WAN connection, for example Multiprotocol Label Switching (MPLS), as well as the Internet or ExpressRoute partner connections to the Microsoft network Edge.</p> <p>Caution</p> <p>Connectivity between a Teams client on your company network to Office 365 services must meet these following network performance requirements and thresholds.</p>	Traffic Class	Treatment (DSCP Marking)	Teams GCC Workloads	Voice	EF (46)	Teams GCC and Lync Voice	Interactive	AF41 (34)	Video	AF21 (18)	Application Sharing	Default	AF11 (10)	File Transfer	CS0 (0)	Anything else
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Interactive	AF41 (34)	Video															
	AF21 (18)	Application Sharing															
Default	AF11 (10)	File Transfer															
	CS0 (0)	Anything else															
SN-7	Describe how the solution supports IPv6.																
Bidder Response:	<p>Comply. "Teams includes support for IP version 6 (IPv6) addresses, along with continued support of IP version 4 (IPv4) addresses.</p> <p>IPv4 addresses are 32-bit addresses that allow a computer to communicate over the Internet. Due to the increasing number of devices worldwide, the available IPv4 addresses have run out. Because of this, many new devices are moving to using IPv6 addresses. IPv6 addresses perform the same function as IPv4 addresses (with some additional features), but instead of using only 32-bits, IPv6 addresses use 128-bits. This provides not only a new set of addresses, but also a much larger number of them.</p>																
SN-8	What troubleshooting duties will State personnel be responsible for?																
Bidder Response:	<p>Responsibilities will be identified in the final Statement of Work and may include the following:</p> <p>The State will provide their own level 1 helpline support sufficiently trained to answer State's end users' questions and problems for the Supported Products. Only then will nominated State coordinators contact C1 for services described in the final</p>																

State Network Requirements OCIO-hosted solution	
	Statement of Work. We have designed the solution such that we do not expect the State to provide more than level 1 support on any of the supported systems.
SN-9	What level of monitoring is provided by the Contractor?
Bidder Response:	C1 proactively monitors 24x7x365. C1 uses an industry leading platform from our partner, Nectar, which is called One Vision. One Vision will continuously remotely monitor all (4) Mediant SBC devices located in the State's two data centers and send all SNMP alerts back to the C1 CSCs where actionable alerts are converted to Incidents and routed to the C1 Engineering team for remediation.
SN-10	Describe the remote diagnostic capabilities and any firewall policies, including all TCP and UDP port(s), that will be required to enable this functionality.
Bidder Response:	C1 uses an industry leading platform from our partner, Nectar, which is called One Vision. One Vision will continuously remotely monitor all (4) Mediant SBC devices located in the State's two data centers and send all SNMP alerts back to the C1 CSCs where actionable alerts are converted to Incidents and routed to the C1 Engineering team for remediation.
SN-11	Bidder should provide a list of the various network elements and devices that are monitored and their procedure for reporting trouble to the OCIO.
Bidder Response:	The (4) Mediant SBC devices - used to interface with Microsoft's Teams and State-provided PSTN SIP Trunks - will be continuously monitored for up/down status and all SNMP type of alerts. These alerts are automatically routed to our engineers for immediate troubleshooting and diagnostics. During onboarding, a customized Run Book will be built for the State of Nebraska and reporting procedures back to the OCIO can be customized to your preference. (Note – Microsoft does not currently allow monitoring of traffic within Microsoft's cloud.)
SN-12	Describe how the solution supports DHCP. Explain what DHCP options are used.
Bidder Response:	<p>As DHCP clients, AudioCodes IP phones can be automatically provisioned with the following files:</p> <ul style="list-style-type: none"> • Configuration file (.cfg) • Firmware file (.img) <p>These files can be placed on any of these three provisioning server types:</p> <ul style="list-style-type: none"> • HTTP/S server • TFTP server • FTP server <p>DHCP Option 43 is correctly configured DHCP Option 120 is correctly configured DHCP Option 42 is correctly configured</p>

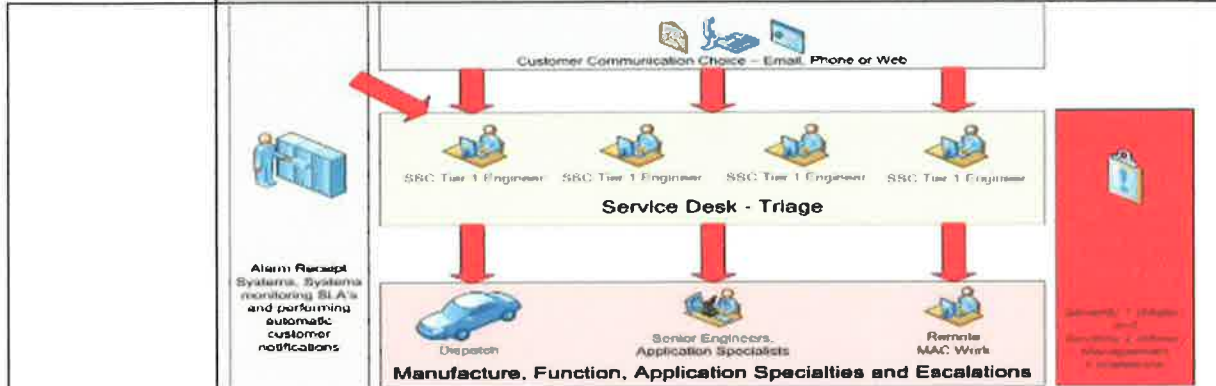
State Network Requirements OCIO-hosted solution	
	Correct configuration of these three is critically important.
SN-13	Describe if the State will be allowed or required to monitor Contractor owned equipment.
Bidder Response:	While the State is not required to monitor the system, C1's One Vision Management/Monitoring tools may be reviewed by the State via our C1 Portal assigned to the State of Nebraska.
SN-14	Describe if the Contractor requires access to State owned equipment. Explain what level of access is required.
Bidder Response:	C1 does not require access to State owned equipment.
SN-15	Describe the levels of security included with the bidder's solution (IP network security, etc.).
Bidder Response:	<p>SSL Encrypted Login</p> <ul style="list-style-type: none"> • Toll fraud – Cannot set caller ID to any DID that you do not own • Single sign-on via federated active directory • Capable of eDiscovery of conversation history • TLS 1.2 for media paths and messaging <p>Teams is built on the Office 365 hyper-scale, enterprise-grade cloud, delivering the advanced security and compliance capabilities customers expect. Teams is compliant with the following standards: ISO 27001, ISO 27018, SSAE16 SOC 1 and SOC 2, HIPAA, and EU Model Clauses (EUMC). Data is encrypted in transit and at rest. One of the unique advantages of the integration with the rest of Office 365 is Teams ability to leverage Single Sign-On through Active Directory (avoiding yet another username/password) and the multitude of benefits of a single consistent identity and security framework including things like Multi-Factor Authentication, Conditional Access, Information Protection, etc.</p>
SN-16	Please describe, in detail, the demarc between the Contractor and the State.
Bidder Response:	<p>Demarc between the Contractor and the State will be the Ethernet handoff into the Ethernet ports of Contractor Premise equipment.</p> <p>This will consist of the following:</p> <p>DC1</p> <ul style="list-style-type: none"> • SBC1 – 1000BaseT x 2 • SBC2 – 1000BaseT x 2 <p>OVOC Server – 1000BaseT x 2</p> <ul style="list-style-type: none"> • IP Phone Manager Server – 1000BaseT x 2 <p>DC2</p>

State Network Requirements OCIO-hosted solution	
	<ul style="list-style-type: none"> • SBC1 – 1000BaseT x 2 • SBC2 – 1000BaseT x 2

Post Implementation Support

Post Implementation Support OCIO-hosted solution	
PI-1	The Contractor must provide a centralized trouble reporting and maintenance system that is staffed 24 hours a day, seven days a week. Describe how the solution meets this requirement.
Bidder Response:	C1 uses wholly-owned, non-outsourced Customer Success Centers (CSCs/NOCs) that are available and staffed 24x7x365. Reporting on troubles can be customized to your preference via the Run Book, which is created during onboarding. Root Cause Analysis (RCA) will also be provided where necessary and agreed upon.
PI-2	The centralized Trouble Reporting Center must provide notification to the State immediately after any occurrence of a service affecting network failure condition when the State has not previously reported such failure. Describe how the solution meets this requirement.
Bidder Response:	The notification process begins when a new incident is created from a toll free call to the C1 Help Desk, maintenance request through the customer web portal or receipt of an alarm in C1's monitoring tools. Electronic notifications are sent instantly when the incident is created. When the incident case is assigned to an engineer, they will begin efforts to remotely resolve the issue. If the engineer determines that an on-site dispatch is required or needs to speak with one of the State representative/s, they will contact the authorized contacts represented on the "Customer Contacts & Escalation list". During the case resolution process, the engineer will post updates to the case notes. Update notifications are sent automatically every four hours for cases that are classified as Major; while notifications for cases classified as Minor are sent every 24 hours. The update notification is only sent if there is a change in status or an update to the case notes. Once the incident case is resolved, either remotely or onsite, the engineer will close the case. The closed notification is sent instantly indicating that the case has been resolved. Alarm & incident notification can be setup to automatically deliver to any number of designated email addresses, PDA, or Text Pager.
PI-3	Bidder must provide a flow chart along with other available contractor documentation describing the trouble reporting and the contractor's problem escalation support model. Describe how the solution meets this requirement.
Bidder Response:	Service Incident Flow

**Post Implementation Support
OCIO-hosted solution**



Escalation Process

When the CSC receives a notification, an incident is created and the severity level is determined. Once engineers are assigned to an incident, they work the issue through to completion unless escalation is required to a higher tier. If escalation to the manufacturer is required, the engineer escalates that as well and manages all work between the customer and the manufacturer. If replacement parts are required, the assigned engineer makes the determinations of what is needed, orders the parts and will work with the dispatchers to coordinate those activities.

PI-4	Upon Intent to Award, the bidder must provide an escalation procedure and contact list to be used for unresolved troubles, including names, titles, and phone numbers of contact persons in the escalation chain. Describe how the solution meets this requirement.
Bidder Response:	Comply. As part of the transition process, C1 will provide the Cloud and Customer Success Centers contact and escalation list to the State's authorized representatives involved in the transition to C1. The escalation list begins with the Customer Success Manager, escalates to the Directors, and includes the VP, Maintenance and Managed Services.
PI-5	The bidder must provide Service Level Agreements (SLA) that are applicable to the service being proposed. SLA's must be included with the Bidder's proposal.
Bidder Response:	<p>Please see the following Service Level Objectives based on the components of the proposed solution:</p> <p>All Data Center Hardware and Software</p> <p><u>Level 1 – Critical</u> The Supported Product is totally out of service with no acceptable work around, resulting in a loss of service affecting all users at a single site.</p> <ul style="list-style-type: none"> • Response: 30 minutes <p><u>Level 2 – Major</u> The Supported Product is operating with severely reduced functionality causing significant impact to the Customer's business operations, the loss of service</p>

Post Implementation Support OCIO-hosted solution	
	<p>impacting more than twenty-five percent (25%) of all users at a single site or inability to access System Administration.</p> <ul style="list-style-type: none"> • Response: 1 hour <p><u>Level 3 – Minor</u> The Supported Product is operating with reduced functionality causing little or no impact to the Customer's business operations, or the loss of service to less than twenty-five percent (25%) of all users at a single site. May also include occasional dropped calls or intermittent voice quality degradation.</p> <ul style="list-style-type: none"> • Response: 8 Hours <p><u>Level 4 – Informational</u> Requests for general feature information or other non-maintenance related support requests. Includes Moves, Adds and Changes</p> <ul style="list-style-type: none"> • Response: 2 Business Days <p><i>* Response objective applies to remote service desk support only and does not apply to on-site services. On-site support dispatch is next business day.</i></p> <p>AudioCodes Telephone Endpoints</p> <ul style="list-style-type: none"> • Next Business Day <p>Microsoft Teams Cloud PBX</p> <p>Please see <i>Appendix 13 – Microsoft Online Services SLA</i>.</p>
PI-6	<p>The bidder must provide a plan of redundancy and business recovery. A copy of the plan must be included in the bidder's response.</p>
Bidder Response:	<p>The C1 Business Continuity/Disaster Recovery program includes both governance teams and operational teams to ensure the recoverability of critical information and technology systems in the event of a significant interruption. Governance teams set strategy and ensure alignment with business objectives. Operational teams ensure that disaster recovery plans are written, tested and, when necessary, implemented.</p> <p>The business objectives for disaster recovery are defined by the Business Data Owner to establish acceptable timeframes and data recovery objectives.</p> <ul style="list-style-type: none"> • RTO (Recovery Time Objective) - The acceptable length of time that a particular business process is unavailable before recovery. • RPO (Recovery Point Objective) - The amount of acceptable data loss after an interruption in computing systems. <p>Disaster Recovery plans are closely aligned with Business Continuity plans to ensure a complete recovery strategy for the enterprise. C1 performs periodic exercises of aspects of the Disaster Recovery Plan and performs post exercise remediation of</p>

**Post Implementation Support
OCIO-hosted solution**

identified concerns. All testing results are reported to executive leadership. All test results and major revisions to the disaster recovery plans are regularly reviewed to ensure that they reflect current Business priorities and criticalities.

Major catastrophic disasters can present different scenarios that require different solutions. For example; C1 can overnight a temporary system to provide temporary service within 24 hours until a permanent solution can be provided. C1 can change programming to re-direct calls to another location or within 24 hours can provide resources to set-up business operations at a temporary location once it is determined where the temporary site will be located.

C1 is unique in the market by offering three fully staffed, redundant, state-of-the-art Network Operations Centers (NOCs) that provide multivendor support and offer 24x7x365 coverage for C1 maintenance and managed services customers. Please see *Appendix 4 – C1 Disaster Recovery Terms and Conditions*.

CSC Business Continuity and Disaster Recovery

C1 has fully documented and annually exercised Disaster Recovery and Business Continuity plans that meet stated and contractual Recovery Point and Recovery Time objectives. This plan contains proprietary and confidential information and is not shared with customers as it could compromise C1's ability to meet confidentiality agreements with existing clients. The existence of the plan and the frequency of exercises is attested to in the annual SSAE16 SOC2 type II report which may be requested by the State through an email to compliance@convergeone.com.

Teams Disaster Recovery

Microsoft Teams offerings are delivered by highly resilient systems that help to maintain peak service performance. Service continuity provisions are part of the Teams system design. These provisions enable Teams to recover quickly from unexpected events such as hardware or application failure, data corruption, or other incidents that affect users. These service continuity solutions also apply during catastrophic outages (for example, natural disasters or an incident within a Microsoft data center that renders the entire data center inoperable).

Note that after recovery from catastrophic outages, there may be a period of time before full data center redundancy is restored for the service. For example, if Data Center 1 fails, services are restored by resources in Data Center 2. However, there may be a period of time until services in Data Center 2 have service continuity support either by restored resources in Data Center 1, or new resources in Data Center 3. The Teams (SLA) applies during this time.

Post Implementation Support OCIO-hosted solution	
	<p>Microsoft ensures that customer data is available whenever it is needed through the following features:</p> <ul style="list-style-type: none"> • Data storage and redundancy: Customer data is stored in a redundant environment with robust data protection capabilities to enable availability, business continuity, and rapid recovery. Multiple levels of data redundancy are implemented, ranging from redundant disks to guard against local disk failure to continuous, full data replication to a geographically diverse data center. • Data monitoring: Teams services maintain high levels of performance by: <ul style="list-style-type: none"> ○ Monitoring databases: <ul style="list-style-type: none"> ▪ Blocked processes ▪ Packet loss ▪ Queued processes ▪ Query latency <p>Completing preventative maintenance: Preventative maintenance includes database consistency checks, periodic data compression, and error log reviews.</p>
PI-7	Describe any end user documentation provided.
Bidder Response:	Quick reference guides for the AudioCodes 400HD series IP Phones will be provided for all end users. Please see <i>Appendix 14</i> .
PI-8	Describe any administrator documentation provided.
Bidder Response:	<p>Administrator Manuals for the AudioCodes 400HD series IP Phones are provided as attachments to the response. Administrator manuals for the One Voice Operations Center and IP Phone Manager Pro can be provided on request although it is expected that these products and the functionality offered by them will be managed by the contractor.</p> <p>C1 will provide system documentation for administrators. Please see <i>Appendix 15 – AudioCodes User Manual</i>.</p>
PI-9	Describe any end user training provided.
Bidder Response:	<p>A training schedule will be developed with the C1 Project Manager and the State's Project Manager based on the agreed-upon cut-over plan.</p> <p>Microsoft Teams GCC Telephone Service</p> <p>C1 onsite training is provided for end users to increase adoption rates and decrease "day 2" support calls. Training classes are set with a maximum of 20 users per session. C1 can utilize a train-the-trainer format, providing a more cost effective training solution for the State.</p>
PI-10	Describe any administrator training provided.

Post Implementation Support OCIO-hosted solution	
Bidder Response:	<p>A training schedule will be developed with the C1 Project Manager and the State's Project Manager based on the agreed-upon cut-over plan.</p> <p>Teams GCC Telephone Service</p> <p>System and Desktop Administrators and Telecom Engineers training will include reporting and performance management. The IT Help Desk staff will receive training to develop their skills to resolve issues escalated from End User Support. The End User Support staff will receive training to address tier 1 support requests from end users. Please see <i>Appendix 16 – Sample C1 IT Training</i>.</p> <p>Admin knowledge transfer will be provided and focus on both configuration of the systems and end user functionality. Over-the-shoulder Administrator knowledge transfer will be provided throughout the engagement but an additional day will be dedicated to reviewing features and functionality of the system.</p>

E911

E911 OCIO-hosted solution	
E-1	Proposed solution must support E911 by sending the station number on all calls to the PSAP. Describe how the solution meets this requirement.
Bidder Response:	Comply. Solution will provide static 911 location information.
E-2	Proposed solution must support E911 by allowing callers to dial "911", or "9, 911". Describe how the solution meets this requirement.
Bidder Response:	Comply. Teams can provide static 911 location info for 911 or 9-911 dialing.

Business Requirements

Business Requirements OCIO-hosted solution	
BR-1	The State will not accept any requirements by the bidder concerning minimum orders. The State may place orders for 1 line, or as many as 1000 lines at any given time, and will pay the same installation and monthly rate for each line regardless of the quantity of lines ordered. Describe how the solution meets this requirement.
Bidder Response:	Comply. The installation and monthly rates for each line are fixed pricing.
BR-2	The State requires the ability to remove lines as Agency requirements change. This will be done at any time without penalty, and the Contractor will cease billing on any lines removed from service. Describe how the solution meets this requirement.
Bidder Response:	Comply. C1 will work with the State to determine mutually agreeable business downturn language for the final Statement of Work.
BR-3	The OCIO will provide a list of State personnel to the contractor that are authorized to place orders and make billing inquiries. The Contractor will not accept or act on orders and inquiries from anyone whose name does not appear on the OCIO provided list. Describe how the solution meets this requirement.

Business Requirements OCIO-hosted solution	
Bidder Response:	Comply. Your list will be documented within your custom Runbook to only allow for certain individuals to make changes, orders, inquiries, etc.
BR-4	Volume commitments will not be accepted by the State. If the bidder submits a response that contains Volume Commitments the bid may be rejected. Describe how the solution meets this requirement.
Bidder Response:	Comply. C1 has not included volume commitments in this Request for Proposal.
BR-5	All due dates must be met by the Contractor. In the event that a Contractor provided due date cannot be met, the OCIO must be notified in writing at least two (2) business days prior to original due date. The Contractor must notify the service requestor when a work order has been completed. Describe how the solution meets this requirement.
Bidder Response:	Comply. This is part of C1's project management services provided to the State.
BR-6	The State requires timely response to all requests for order activity. All requests should be acknowledged by the Contractor in writing within 48 hours. Contractor order number and order due date must be sent to the OCIO within 5 business days. Describe how the solution meets this requirement.
Bidder Response:	Comply. C1 will meet this requirement as stated in BR-6. This will also be documented in the Runbook created for the State.
BR-7	With the exception of those orders that incur porting delays, all order activity must be completed by the Contractor within 14 calendar days. Describe how the solution meets this requirement.
Bidder Response:	Comply. C1 will meet this requirement as stated in BR-6. This will also be documented in the Runbook created for the State.
BR-8	When requested by the State, the Contractor must provide reports including VOIP Line inventory and physical addresses. The State prefers access to the above information through an on-line, near real time system via the Internet at no additional cost. Describe how the solution meets this requirement.
Bidder Response:	Comply. Starting with an initial audit, C1 will maintain a record of the currently-installed Hardware, Software version and any applicable TLS Certificates on your covered software applications and systems, as well as any firmware releases on hardware components (e.g. servers, gateways, and boards) that your covered products may include. As part of this inventory, C1 will produce a detailed report highlighting which actual versions do not meet the latest or recommended releases as determined by the product manufacturers. This report will be provided by your Customer Success Manager (CSM) upon request.
BR-9	The State and the Contractor will work in partnership to ensure the services provided under this contract will be refreshed as technologies evolve and user needs grow. This technology refreshment clause will be a required condition of the contract. At a minimum the State and the Contractor will conduct yearly reviews during the term of the contract to review service offerings and pricing. These reviews may result in expanding the services offered by the Contractor to include new optional pricing elements or pricing reductions associated with improved economies of scale and/or technological innovations. Changes in the industry related to regulation and/or pricing mechanisms may also result in modification of rates

Business Requirements OCIO-hosted solution	
	<p>identified in the services offered by the Contractor. Describe how the solution meets this requirement.</p>
Bidder Response:	<p>Comply. C1 will conduct regularly scheduled business review meetings, to occur no less than quarterly, to include members of the C1 Account Team and Voice Operations Team, and key State stakeholders.</p> <p>During the regularly scheduled meetings the team will review the following topics as relevant:</p> <ul style="list-style-type: none"> • Key service requests, trends/chronic issues and escalations that occurred during the period. • Review service reports and C1’s performance against committed service objectives. • Note issue/concerns with respect to the products and/or services provided. • Review new service requirements of customer and/or new service offerings from C1 that offer increased value to the State. • Product Roadmap discussion: <ul style="list-style-type: none"> ○ Review product lifecycle of current deployed products within the State’s voice environment. ○ Provide information relative to new products, features, upgrades that may be of interest to the State for deployment within their environment. • Status of any current or planned projects.
BR-10	<p>Bidder must submit a Change Management Plan with their bid response detailing the change management process and approach.</p>
Bidder Response:	<p>Comply. Change Management is the process of managing the review, approval, and scheduling of changes related to the State voice communications environment. Any activity with the potential to temporarily or permanently impact the availability, reliability, security or performance of the State’s voice communication system is defined as a change.</p> <p>C1’s Customer Success Manager will be the point of contact to receive requests for change (RFC) initiated by the State and to initiate requests for change (RFC) with the State on behalf of C1, as needed.</p>

Project Planning and Management

Project Planning and Management OCIO-hosted solution	
PP-1	<p>Bidder must describe in the proposal each of the steps they will take during discovery, network assessment, individual site assessment, and install. Bidder must provide a draft Project Management Plan with their proposal.</p>
Bidder Response:	<p>Project Management Methodology</p> <p>C1 will provide Project Management Services to help you effectively manage the project and control risks in the deployment. C1 will designate a Project Manager who will act as the single point of accountability for all C1 contract deliverables for the duration of the Project.</p> <p>Teams Operations Framework</p> <p>C1 follows the Microsoft Teams Operations Framework for project delivery for Teams Online. The Teams Operations Framework (SOF) is a comprehensive guide and toolset for implementing and managing a reliable, cost-effective communications service based on Teams.</p> <p>Key elements include an iterative delivery process, clear project metrics, proactive risk management, and effective response to change. The diagram to the left depicts the Teams Operations Framework.</p> <p>Project Management</p> <p>C1 will designate a Project Manager (PM) responsible for overseeing the project. Once the contract is signed and accepted by C1, this individual will act as the State's single point of contact for all planning and issues related to solution delivery. The C1 PM will work closely with the State to guide the implementation and work on a mutually agreed upon schedule.</p> <p>The C1 Project Manager will setup a secure SharePoint site hosted by C1 for all documentation relating to the project. The site will remain active and accessible by the State after the project completion. The C1 Project Manager is responsible for the following:</p> <ul style="list-style-type: none"> • Conduct internal (C1) and joint C1/State meetings • Develop project plan, including activities, milestones, roles and responsibilities • Schedule and manage required C1 resources and partners • Conduct Issue and Risk Management • Provide agenda and meeting notes • Track customer and C1 project deliverables • Manage Change Requests and any associated billing with the State

	Project Planning and Management OCIO-hosted solution
	<ul style="list-style-type: none">• Manage Project Closeout process, punch list and State acceptance

Attachment B – Carrier Hosted Solution

C1 Response:

Not applicable.

Detailed Project Work Plan

C1 Response:

Microsoft Teams GCC Project Phases and Tasks

C1 will work with the State to establish a project plan based on the final scope of work. Major milestones and target dates will be established based on the final Scope of Work.

An overview of the C1 project phases and descriptions are outlined below:

ID	Active	Task Mode	Name	Predecessors	Outline Level
1	Yes	Auto Scheduled	Cloud PBX POC - DRAFT		1
2	Yes	Auto Scheduled	Plan		2
3	Yes	Auto Scheduled	Project Kickoff		3
4	Yes	Auto Scheduled	Adoption		3
5	Yes	Auto Scheduled	Adoption Planning Workshop		4
6	Yes	Auto Scheduled	Provide End User Training Materials		4
7	Yes	Auto Scheduled	Provide Awareness Campaign Materials		4
8	Yes	Auto Scheduled	Provide Success Plan	5,6,7	4
9	Yes	Auto Scheduled	Review Adoption Strategy with Project team for approval	8	4
10	Yes	Auto Scheduled	Adoption - Plan Phase Exit: Workshops completed, supporting materials provided, Success Plan created, Adoption Strategy approved	5,8,9,6,7	4
11	Yes	Auto Scheduled	Assess		3
12	Yes	Auto Scheduled	Readiness Assessment Workshop		4
13	Yes	Auto Scheduled	Provide Readiness Assessment Report	12	4
14	Yes	Auto Scheduled	Network Readiness Workshop		4
15	Yes	Auto Scheduled	Complete Bandwidth Calculator	14	4
16	Yes	Auto Scheduled	Client completes network assessment and provide results	14	4
17	Yes	Auto Scheduled	Review readiness results with the project team for approval to proceed		4
18	Yes	Auto Scheduled	Assess Phase Exit: Network and Readiness Assessment Complete, Bandwidth calculator created, assessment results- approval to proceed granted	12,13,14	4
19	Yes	Auto Scheduled	Design		3



ID	Active	Task Mode	Name	Predecessors	Outline Level
20	Yes	Auto Scheduled	Cloud PBX Architecture / Migration workshop		4
21	Yes	Auto Scheduled	Provide Architecture / Migration Documentation for review	20	4
22	Yes	Auto Scheduled	Review Technical Design& Architecture with Project Team for approval	21	4
23	Yes	Auto Scheduled	Design Phase Exit: Architecture design / Migration workshop completed Technical design and Architecture documentation approved	20,21,22	4
24	Yes	Auto Scheduled	Prepare		3
25	Yes	Auto Scheduled	Provide Deployment Checklist	23	4
26	Yes	Auto Scheduled	Complete assessment remediation	22	4
27	Yes	Auto Scheduled	Client prepares network	22	4
28	Yes	Auto Scheduled	Finalize Overall Project Schedule	22	4
29	Yes	Auto Scheduled	Prepare Phase Exit: Deployment checklist, approved schedule, network prepared for deployment, finalized cut sheets available	25,27,28	4
30	Yes	Auto Scheduled	Plan Phase Exit- Client approval for all Adoption, Assess, Design, Prepare activities	3,19,4,11,24	3
31	Yes	Auto Scheduled	Deliver		2
32	Yes	Auto Scheduled	Deploy		3
33	Yes	Auto Scheduled	Testing		4
34	Yes	Auto Scheduled	Testing Methodology Workshop	30	5
35	Yes	Auto Scheduled	Provide Test Matrix and Test Plan	34	5
36	Yes	Auto Scheduled	Review Methodology and Test Matrix with project team for approval	34	5
37	Yes	Auto Scheduled	Client creates UAT Survey	30	5
38	Yes	Auto Scheduled	Execute Test Plan w/ client	36	5
39	Yes	Auto Scheduled	Review test plan results with project team for approval	36	5
40	Yes	Auto Scheduled	Operations Handoff Workshops- knowledge transfer	39	5
41	Yes	Auto Scheduled	Testing Phase Exit: Executed Test Plan approved, Operations Workshop completed	40,39,37	5
42	Yes	Auto Scheduled	Enable #1		3
43	Yes	Auto Scheduled	Finalize pilot user enablement details	40	4
44	Yes	Auto Scheduled	Validate pilot user cut sheet	43	4
45	Yes	Auto Scheduled	Validate pilot enablement script	43	4
46	Yes	Auto Scheduled	Enable pilot users	43,44,45	4
47	Yes	Auto Scheduled	Provide tier 3, day 1 support	46FS-1ed	4
48	Yes	Auto Scheduled	Enable Phase Exit: Pilot users enabled, day 1	46,47	4

ID	Active	Task Mode	Name	Predecessors	Outline Level
			support provided		
49	Yes	Auto Scheduled	Enable #2		3
50	Yes	Auto Scheduled	Finalize pilot user enablement details		4
51	Yes	Auto Scheduled	Validate pilot user cut sheet		4
52	Yes	Auto Scheduled	Validate pilot enablement script		4
53	Yes	Auto Scheduled	Enable pilot users	50,51,52	4
54	Yes	Auto Scheduled	Provide tier 3, day 1 support	53FS-1ed	4
55	Yes	Auto Scheduled	Enable Phase Exit: Pilot users enabled, day 1 support provided	53,54	4
56	Yes	Manually Schedule	Project Closure		2
57	Yes	Auto Scheduled	Project Closure Meeting with project team	55	3
58	Yes	Auto Scheduled	Client provides sign off on PoE for Microsoft	57	3
59	Yes	Auto Scheduled	Client provides sign off on C1 Milestone Acceptance doc	57	3

This is only a sample; a final project plan will be developed during the beginning stage of the project. The final project plan will require the combined input of the State and C1 to develop.

Deliverables and Due Dates

C1 Response:

The following describes the deliverables included as part of this proposal:

- **Project Schedule** Describes the project tasks dependencies and timeline for a completion of milestones
- **Readiness Assessment Report** Summary report on the organizations current readiness for Teams GCC Online including potential blockers and remediation
- **Network Essentials Readiness Report** Summary report on the estimated bandwidth requirements and network readiness for Teams GCC
- **Cloud PBX, PSTN Conferencing and Client - Design and Migration** Document covering site architecture/requirements, Cloud PBX features design decisions and user/client deployment
- **Test Matrix** Excel Workbook matrix of test cases results used to validate the solution
- **Adoption Success Plan** Describes adoption success factors, scenarios and activities and workloads planned for the project
- **User Enablement Results Report** Excel Workbook documenting the per user results of a user enablement event

Approximately ten (10) business days after signed acceptance of the final Statement of Work, C1 will assign project resources and schedule a project kick-off meeting. The project kick-off may not take place immediately. Project start times depend on the availability of C1 and customer resources.

The expected duration of this project will be determined in the final Statement of Work from the time of kick-off to completion.

ADDENDA

Addendum #1

**ADDENDUM ONE
QUESTIONS and ANSWERS**

Date: August 3, 2018
To: All Bidders
From: Nancy Storant, Buyer
 AS Materiel State Purchasing Bureau
RE: Addendum for Request for Proposal Number 5885 Z1 to be opened August 20, 2018 at 2:00 p.m. Central Time

Questions and Answers

Following are the questions submitted and answers provided for the above mentioned Request for Proposal. The questions and answers are to be considered as part of the Request for Proposal. It is the Bidder's responsibility to check the State Purchasing Bureau website for all addenda or amendments.

Question Number	RFP Section Reference	RFP Page Number	Question	State Response
1.	Cost Proposal Option A	2	For smaller, remote sites with low volume phone qty (less than 4 phones), will the State allow for pre-configured phone sets to be shipped via delivery service with easy-to-follow set-up instructions, to be considered as an installation option ?	Please see Revised Cost Proposal for Option A and Option B for non-recurring line installation cost where the State would install the telephone set.
2.	Cost Proposal Option A	3	Can the State identify the specific quantity of premium phones that will require expansion modules ?	This would be a decision that each agency would have to make and the State does not have that information at this time.

3.	Attachement A Option A Requirements SR-20	2	<p>RE SR 22: (The State requires a solution that provides for seasonal suspension on select lines, where the lines and billing are suspended at the end of each season and returned to service at the beginning of the next season.)</p> <p>Question: What does the State plan to do with the physical endpoints during the seasonal suspension?</p>	<p>These endpoints will remain in place with the service suspended.</p>
4.	Attachement A Option A Requirements SR-21	2	<p>RE SR-21: (The State requires the ability to block all incoming calls to select lines.)</p> <p>Question 1a: Does this include the blocking of incoming calls originating from within the organization?</p> <p>Question 1b: Does this include the blocking of incoming calls originating from the PSTN to an allowed user which then transfers the call to a disallowed user?</p> <p>Question 1c: Does this include the blocking of call originating from an internal conference bridge?</p>	<p>1a. Yes</p> <p>1b. Yes</p> <p>1c. Yes</p>
5.	General Question		<p>At the Pre-Proposal Conference on July 17th, it was stated that site locations with addresses will be provided. When will those be made available or where can those be found?</p> <p>What are the approximate # of devices at address be made available?</p>	<p>See Attachment E for information. The information is only a snapshot of inventory. Line counts and addresses change and this should be considered an approximation.</p>

6.	General Question	<p>Is there a requirement for public space phones to be gigabit? If not what % of percent of phones are considered public space?</p>	<p>Telephone sets not attached to a workstation will not require a gigabit connection.</p> <p>The State does not have this information to provide an answer.</p>
7.	General Question	Are phones required to be TLS 1.2 compliant?	Yes
8.	General Question	Is the proposed solution required to be FIPS 140-2 compliant?	Yes
9.	General Question	<p>Do any of the SON user base need to be mobile workers or require softphone or IP phones at their home? If yes what % of user base requires this functionality?</p>	Soft phones will not be utilized. There are currently no IP phones in homes.
10.	General Question	<p>Do any users not require a desk phone and only require a soft phone? If yes what % of user base only requires a soft phone?</p>	Soft phones will not be utilized
11.	General Question	<p>Do any users require click to call feature from a client? If yes what % of user base requires this feature?</p>	No
12.	General Question	<p>Do any users require the ability to have an incoming call ring both a desk phone and another phone, considered Single Number Reach? If yes what % of user base requires this feature?</p>	This is not a requirement of this RFP.
13.	General Question	<p>Do any users require the ability to have a desktop client provide availability or presence status? If yes what % of user base requires this feature?</p>	This is not a requirement of this RFP.
14.	General Question	Do any users require video capabilities in addition to voice?	This is not a requirement of this RFP.

			If yes what % of user base requires this feature?	
15.	General Question		How will the State grade and score pricing responses considering the various required and, in some cases, optional features that have been requested such as messaging, auto attendant, ACD/UCD?	Please see the Evaluation Criteria posted on our web site, which has the formula used to determine how the cost points are calculator.
16.			The Project Environment section mentions the current environment including Carrier provided Centrex, who is the Carrier and is it executed through an ongoing contract? If so, can I get the associated contract number?	The Carriers are Windstream on contract 2844 O4 and CenturyLink on contract 55323 O4.

This addendum will become part of the proposal and should be acknowledged with the Request for Proposal response.



Appendix 1
C1 Master Sales Agreement

Master Sales Agreement**Date:** DATE**SELLER: CONVERGEONE, INC.**
3344 Highway 149
Eagan, MN 55121**CUSTOMER: LEGAL ENTITY NAME**
STREET ADDRESS
CITY/STATE/ZIP

This MASTER SALES AGREEMENT ("Agreement") is made and entered into as of the date indicated above ("Effective Date") by and between Seller and Customer. Seller and Customer are each a "Party" to this Agreement and may collectively be referred to herein as the "Parties."

In consideration of the mutual undertakings herein contained, the Parties agree as follows:

1. Attachment A contains terms and provisions that are part of this Agreement and Attachment A is hereby herein incorporated by reference.
2. This Agreement shall apply to sales of the following to Customer:
 - a) All hardware, third party software, and/or Seller software (collectively, "Products");
 - b) All installation services, professional services, and/or third party provided support services that are generally associated with the Products and sold to customers by Seller ("Professional Services");
 - c) All Seller-provided vendor management services, software release management services, remote monitoring services, troubleshooting services, and/or OnGuard Support Services (collectively, "Managed Services"); and/or
 - d) All Seller-provided maintenance services ordered by Customer to maintain and service Supported Products (as hereinafter defined in Article IV of Attachment A) or Supported Systems (as hereinafter defined in Article IV of Attachment A) at Supported Sites (as hereinafter defined in Article IV of Attachment A) to ensure that they operate in conformance with their respective documentation and specifications ("Maintenance Services").
3. Seller will provide the Products, Professional Services, Managed Services, and/or Maintenance Services to Customer as more fully described on a sales order ("Master Agreement Rider" or "Solution Quote" or "Maintenance Services Order Form") that references this Agreement and for which authorized representatives of each Party have signed the corresponding document summarizing the order ("Solution Summary"). Each Master Agreement Rider, Solution Quote, and/or Maintenance Services Order Form shall contain an itemized list of all Products to be provided and/or all Managed Products and/or Supported Products to be maintained, together with the price to be charged therefor. If Seller is to provide Professional Services, Managed Services, and/or Maintenance Services to Customer, a Statement of Work ("Statement of Work" or "Scope of Work" or "SOW") that references this Agreement shall accompany the Master Agreement Rider, Solution Quote, and/or Maintenance Services Order Form. With respect to the Managed Services only, the SOW may act as both the Solution Quote and SOW. The Master Agreement Rider, Solution Quote, and/or Maintenance Services Order Form shall reflect the price to be charged for such Professional Services, Managed Services, and/or Maintenance Services.
4. Any amendment, supplement, or modification of any term or provision of this Agreement or any Solution Summary must be in a writing that is signed by authorized representatives of both Parties to this Agreement.
5. In lieu of an authorized representative of each Party signing a Solution Summary, the Parties agree that Customer may issue to Seller a purchase order to order Products, Professional Services, Managed Services, and/or Maintenance Services from Seller. Such purchase order shall be deemed Customer's agreement to the terms and conditions of the corresponding Solution Summary. However, no terms or provisions of the purchase order (other than the description of the Products, Professional Services, Managed Services, and/or Maintenance Services and the quantity thereof) shall apply. Rather, only the terms and provisions of this Agreement shall apply to the sale of Products, Professional Services, Managed Services, and/or Maintenance Services.
6. This Agreement shall remain in effect until terminated by either Party. Either Party may terminate this Agreement, provided that such Party provides to the other Party written notice of such termination at least thirty (30) days prior to the effective date of such termination. The notice of termination shall reflect the effective date of the termination; if it does not, then the effective date of the termination shall be the date that is thirty (30) days after the non-terminating Party receives the written notice of the termination. Notwithstanding the foregoing, however, the termination of this Agreement shall not affect the obligations of either Party pursuant to the terms and provisions of any Solution Summary that has been executed by an authorized representative of each Party prior to the effective date of termination of this Agreement.

7. Terms and conditions contained in a Solution Summary shall control over any general terms and conditions contained herein or in Attachment A.
8. **PURCHASE PRICE:** Unless specifically stated and mutually agreed upon in a particular Solution Summary, the purchase price of the Products, Professional Services, Managed Services, and/or Maintenance Services set forth in each Solution Summary shall be paid as follows:
- a) **For Products and Professional Services (excluding third party support services):**
 - i) **Down Payment:** Fifty percent (50%) of the Price (as defined in Article I, Section 1 of Attachment A) is due upon execution of the Solution Summary; and
 - ii) **Balance:** The remaining balance of the Price is due as follows:
 - (1) **For Products:** One Hundred percent (100%) of the remaining balance of the Price attributable to the cost of Products is due thirty (30) days from the date of the invoice.
 - (2) **For Professional Services (excluding third party support services):**
 - (i) Professional Services provided on a **time and materials** basis will be invoiced monthly as Professional Services are performed by Seller (following depletion of the down payment) and are due thirty (30) days from the date of the invoice; or
 - (ii) Professional Services provided on a **fixed price** basis are due either (a) monthly as Professional Services are performed by Seller (following depletion of the down payment) within thirty (30) days from the date of the invoice; or (b) periodically based on mutually agreed upon milestones as set forth in the pertinent Solution Summary (following depletion of the down payment) thirty (30) days from the date of the invoice.
 - b) **For Third Party Support Services:** One Hundred percent (100%) of the Price attributable to the cost of third party support services as specified in the Solution Summary will be invoiced and due prior to commencement of the third party support services.
 - c) **For Managed Services:** Customer will be invoiced for Managed Services annually in advance and such invoices are due prior to the commencement of the pertinent twelve (12)-month period.
 - d) **For Maintenance Services:** Customer will be invoiced for Maintenance Services on a quarterly basis in advance and such invoices are due prior to the commencement of the pertinent quarterly period.
9. **FINANCING OPTION:** If Customer elects to lease the pertinent Products, Professional Services, Managed Services, and/or Maintenance Services, Customer
- a) Shall inform Seller of such election no later than the time that the pertinent Solution Summary is executed to avoid being liable for sales tax on the Products, Professional Services, Managed Services, and/or Maintenance Services provided under the pertinent Solution Summary; and
 - b) May assign a Solution Summary to a financing company for the sole purpose of financing the Price, provided that Customer agrees that any such assignment shall not delay or relieve Customer of its duty to perform any of its obligations under this Agreement (including, but not limited to, liability for amounts owed under this Agreement). Customer further agrees that it shall not take any action, or refuse to take any action, that delays Seller's receipt of payment from Customer's financing company.

10. **PRODUCT RETURNS:** All configured orders, including hardware and software, are non-returnable. All software, regardless of whether such software is part of a configured order, is non-returnable. All authorized returns may be assessed a twenty percent (20%) restocking charge; provided, however, that Product returns based on warranty claims will not be assessed such restocking charge.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and do each hereby warrant and represent that their respective signatory whose signature appears below has been and is on the date of this Agreement duly authorized by all necessary and appropriate corporate action to execute this Agreement.

SELLER: CONVERGEONE, INC.

CUSTOMER: LEGAL ENTITY NAME

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTACHMENT A – TERMS AND CONDITIONS

ARTICLE I – GENERAL TERMS AND CONDITIONS OF THE AGREEMENT

1. **PRICE; PAYMENT; TAXES.** Customer agrees to pay the price of each Product, Professional Service, Managed Service, and/or Maintenance Service described on a Solution Summary, together with freight, taxes, and any other itemized charges, fees, and costs (the "Price"). The currency to be used for payment of the Price is the United States Dollar. Except for breach by Seller, termination of this Agreement shall not affect Customer's obligation to pay the Price. If Customer is exempt from tax, Customer shall provide to Seller a valid tax exemption certificate at the time that this Agreement is executed. Customer agrees to indemnify and hold harmless Seller (i) from any and all liens, actions, or claims made by or on behalf of any tax authority in connections with any payment made to Seller, and (ii) for all costs incurred by Seller in connection with the foregoing (including, but not limited to, reasonable attorneys' fees). Interest on any past due obligation shall accrue at the rate of one and one-half percent (1½%) per month or at the maximum rate allowed by law, whichever is lower. All prices are exclusive of applicable taxes or other charges imposed by law.
2. **REMEDIES UPON DEFAULT.** In the event that Customer fails to pay according to the terms and provisions of this Agreement, or fails to perform any of its obligations pursuant to the terms and provisions of this Agreement, then Seller, at its option, may do any or all of the following: (i) upon notice to Customer, terminate this Agreement; (ii) regardless of whether this Agreement is terminated, suspend further performance under this Agreement; and (iii) retain, as an offset to Customer's liability for such default, all or a portion of the progress payments (if any) previously paid by Customer. Customer shall in any event remain fully liable for damages resulting from Customer's breach (including, but not limited to, all costs and expenses incurred by Seller on account of such breach, including costs of arbitration and reasonable attorneys' fees). The rights afforded Seller hereunder shall not be deemed to be exclusive but, instead, shall be in addition to any rights or remedies provided by law.
3. **INDEPENDENT CONTRACTOR.** Seller shall conduct its business as an independent contractor with respect to Customer. Seller will represent to third persons, to the public generally, and to all governmental bodies (including, but not limited to, federal, state, and local authorities) that the business conducted by Seller with respect to Customer is that of an independent contractor and that such is the sole relationship between the Parties. It is expressly understood that Seller is in no way considered the legal representative of Customer for any purpose whatsoever with respect to this Agreement. Customer shall deduct no income tax or other withholdings whatsoever from payments due to Seller.
4. **CUSTOMER COOPERATION.** Customer shall cooperate fully with Seller to facilitate performance of Seller's obligations hereunder, including the rendition of Professional Services, Managed Services, Maintenance Services, and/or the installation of a Product. Customer shall dedicate such time, personnel, and resources as may be reasonably necessary to complete Seller's performance of Professional Services, Managed Services, and/or Maintenance Services. Cooperation shall include the following:
- (a) Customer shall designate a coordinator at Customer's site with the knowledge and authority to make decisions with respect to all of Customer's operations in order for Seller to meet its obligations hereunder;
 - (b) Customer shall make available such data as is necessary to adequately test the Product(s), Professional Service, Managed Service, and/or Maintenance Service;
 - (c) If Customer is purchasing an application software solution, Customer shall be responsible for the operation of each CPU, conducting a back-up, performing all program translation, contacting all third-party vendors to confirm that existing hardware and software will be compatible with the new software, and processing any necessary changes;
 - (d) Customer shall provide full, free, and safe access to Customer's facilities to allow Seller to meet its obligations hereunder;
 - (e) Customer shall provide the telephone numbers, network addresses, and passwords necessary for Seller to gain remote access to Customer's systems when necessary in connection with the performance of Professional Services, Managed Services, and/or Maintenance Services;
 - (f) Customer shall provide (i) interface information for Managed Products (as defined in Article III, Section 1 of this Attachment A) and Supported Products (as defined in Article IV, Section 1 of this Attachment A), and (ii) any third party consents and licenses needed by Seller to access such Managed Products and Supported Products; and
 - (g) If Seller provides an Update pursuant to Article IV, Section 2(f) of this Attachment A, or other new release of software as part of the Maintenance Services, Customer will promptly implement such Update or new release.
 - (h) Customer expressly acknowledges that with respect to Seller's performance of the Professional Services, Managed Services, and/or Maintenance Services called for under this Agreement, such Professional Services, Managed Services, and/or Maintenance Services do not involve or in any way require Seller's access to Personal Data as defined herein. If, in the future, Customer requests additional services that require Seller access to Personal Data, those additional services, and the security requirements associated with Seller's access to Personal Data in order to perform those additional services, shall be subject to a separate written agreement between the parties. "Personal Data" is personal data of any employee, customer, or other individual.
5. **FORCE MAJEURE.** Seller shall not be liable for any loss, failure, or delay in furnishing a Product, or providing Professional Services, Managed Services, and/or Maintenance Services, resulting from any of the following: fires; explosions; floods; storms; acts of God; governmental acts, orders, or regulations; hostilities; acts of terrorism; civil disturbances; strikes; labor difficulties; machinery breakdowns; transportation contingencies; difficulty in obtaining parts, supplies, or shipping facilities; delays of carriers; or any other cause beyond the control of Seller.
6. **ARBITRATION.** Seller and Customer agree to submit any and all disputes (of whatever kind or nature, whether in law or in equity) arising out of the terms and provisions of this Agreement (including, but not limited to, determining the validity, specific enforcement, breach, or interpretation of this Agreement) to binding arbitration only, such arbitration to be conducted pursuant to the then-current Commercial Arbitration Rules of the American Arbitration Association and to be held before a single arbitrator at a location mutually agreeable to the Parties. The Parties shall be entitled to limited discovery under the Federal Rules of Civil Procedure. Notwithstanding the foregoing, in the event that third parties are necessary to achieve a just adjudication of the issues, either Party may commence a civil action in a court of competent jurisdiction having jurisdiction over all parties involved. The prevailing Party shall be entitled to recover from the non-prevailing Party its costs and reasonable attorneys' fees incurred in connection with any action or proceeding that arises from the terms and provisions of this Agreement. The Parties further agree that any monetary award may be reduced to judgment and

docketed in any court of competent jurisdiction without objection and execution had thereon. This provision shall survive the termination of this Agreement. No arbitration or action, regardless of form, arising out of the terms and provisions of this Agreement may be brought or commenced by either Party more than one (1) year after the dispute, claim, or cause of action arose.

7. LIMITATION OF LIABILITY. THE ENTIRE LIABILITY OF SELLER (AND SELLER'S OWNERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, AND AFFILIATES) AND CUSTOMER'S EXCLUSIVE REMEDIES FOR ANY DAMAGES CAUSED BY ANY PRODUCT DEFECT OR FAILURE, OR ARISING FROM THE PERFORMANCE OR NON-PERFORMANCE OF ANY PROFESSIONAL SERVICE, MANAGED SERVICE, AND/OR MAINTENANCE SERVICE, REGARDLESS OF THE FORM OF ACTION (WHETHER IN CONTRACT, TORT, OR OTHERWISE), SHALL BE (I) FOR FAILURE OF PRODUCTS DURING THE WARRANTY PERIOD, THE REMEDIES STATED IN ARTICLE II, SECTION 3 OF THIS ATTACHMENT A; (II) FOR DELAYS IN DELIVERY OR INSTALLATION (WHICHEVER IS APPLICABLE) OF MORE THAN THIRTY (30) DAYS BY CAUSES ATTRIBUTABLE SOLELY TO SELLER, CUSTOMER'S SOLE REMEDY SHALL BE TO TERMINATE THE PERTINENT SOLUTION SUMMARY WITHOUT INCURRING CHARGES FOR SUCH TERMINATION AND, WITHIN THIRTY (30) DAYS AFTER SUCH TERMINATION, RECEIVE A REFUND OF ALL MONIES PAID UNDER THE PERTINENT SOLUTION SUMMARY; OR (III) FOR SELLER'S FAILURE TO PERFORM ANY OTHER MATERIAL TERM OF THIS AGREEMENT, IF SELLER DOES NOT CORRECT SUCH FAILURE WITHIN THIRTY (30) DAYS AFTER RECEIPT OF WRITTEN NOTICE ADDRESSING SUCH FAILURE, CUSTOMER'S SOLE REMEDY SHALL BE TO TERMINATE THE PERTINENT SOLUTION SUMMARY WITHOUT INCURRING CHARGES FOR SUCH TERMINATION AND, WITHIN THIRTY (30) DAYS AFTER SUCH TERMINATION, RECEIVE A REFUND OF ALL MONIES PAID UNDER THE PERTINENT SOLUTION SUMMARY. SELLER SHALL IN NO CASE BE LIABLE FOR PUNITIVE, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOST SAVINGS, OR LOST REVENUES OF ANY KIND; LOST, CORRUPTED, MISDIRECTED, OR MISAPPROPRIATED DATA; NETWORK DOWNTIME; INTERRUPTION OF BUSINESS ARISING OUT OF OR IN CONNECTION WITH PERFORMANCE OR NON-PERFORMANCE OF THE PRODUCTS OR USE BY CUSTOMER; CHARGES FOR COMMON CARRIER TELECOMMUNICATIONS SERVICES; COST OF COVER; OR CHARGES FOR FACILITIES ACCESSED THROUGH OR CONNECTED TO THE PRODUCTS ("TOLL FRAUD")). THE PREVIOUS SENTENCE APPLIES REGARDLESS OF WHETHER SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

8. NON-SOLICITATION OF EMPLOYMENT.

(a) Seller shall not solicit for employment, either directly or indirectly, employees of Customer during the term of any Solution Summary, or for a period of twelve (12) months thereafter; provided, however, that Seller may hire employees of Customer if such employees initiate contact with Seller (e.g., a response to general employment advertisements of Seller). If Seller violates this provision, Seller will pay to Customer an amount equal to the amount of the total potential compensation for the first twelve (12) months for the employee of Customer that has been hired. Seller shall pay such amount to Customer on the date that is thirty (30) days after the employee accepts an offer of employment from Seller.

(b) Customer shall not solicit for employment, either directly or indirectly, employees or subcontractors of Seller during the term of any Solution Summary, or for a period of twelve (12) months thereafter; provided, however, that Customer may hire employees or subcontractors of Seller if such employees or subcontractors initiate contact with Customer (e.g., a response to general employment advertisements of Customer). If Customer violates this provision, Customer will pay to Seller an amount equal to the amount of total potential compensation for the first twelve (12) months for the employee or subcontractor of Seller that has been hired. Customer shall pay such amount to Seller on the date that is thirty (30) days after the person accepts an offer of employment from Customer.

9. AFFILIATE RIGHTS.

(a) **ConvergeOne.** The Parties agree that any ConvergeOne Affiliate may sell Products, Professional Services, Managed Services, and/or Maintenance Services to Customer under the terms and provisions of this Agreement; provided, however, that only the ConvergeOne Affiliate that is the party to such sale is liable to Customer for the sale of such Products, Professional Services, Managed Services, and/or Maintenance Services. By signing a given Solution Summary for any such sale, the applicable ConvergeOne Affiliate and Customer agree that the terms and conditions of this Agreement will apply to such sale as if such ConvergeOne Affiliate were Seller under this Agreement, but only with respect to such sale. For purposes of this Agreement, "ConvergeOne Affiliate" means any corporation, partnership, or other entity that, directly or indirectly, controls (or is controlled by or is under common control with) Seller.

(b) **Customer.** Seller agrees that Seller approved Affiliates (as that term is defined below) may purchase Products, Professional Services, Managed Services, and/or Maintenance Services under the terms and conditions of this Agreement by signing a Solution Summary referencing this Agreement. The terms of this Agreement will be incorporated by reference in any such Solution Summary as if this Agreement were separately executed by such Affiliate (and solely by such Affiliate) and the term "Customer" used herein will be deemed as applying to such Affiliate for the purposes of the Solution Summary. The applicable rights, obligations and liabilities of Customer under each Solution Summary executed by Customer will be solely those of Customer, and none of the Affiliates will be responsible for any obligations or liabilities of Customer under such Solution Summaries. The applicable rights, obligations and liabilities of an Affiliate executing a Solution Summary will be solely those of such Affiliate, and neither Customer nor any other Affiliate will be responsible for any obligations or liabilities of the Affiliate under the Solution Summary. Under no circumstances will Customer and any of the Affiliates be jointly or severally liable for the obligations of the others. "Affiliate(s)" means any entity that directly or indirectly controls, is controlled by, or is under common control or ownership with Customer, where "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct, cause or influence the direction of the management policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

10. MISCELLANEOUS.

(a) **Merger.** This Agreement constitutes the entire agreement between Seller and Customer with respect to the subject matter described herein, superseding all prior and contemporaneous correspondence between the Parties.

(b) **No Assignment.** This Agreement shall not be assignable by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld; provided, however, that in any assignment of this Agreement, both the assignor and the assignee are jointly and severally liable under this Agreement for any outstanding obligations of the assignor that are due as of the date of the assignment. Notwithstanding the foregoing, Seller may assign all of its rights and delegate all of its obligations with respect to any order that relates to the performance of Professional Services and/or delivery of Products at any location that is outside of the United States of America to one or more third parties believed by Seller in good faith to be capable of providing such goods and services.

- (c) **Notices.** All notices shall be in writing and shall be delivered in person or sent by facsimile or U.S. Mail, postage prepaid, to the address of the other Party as set forth in this Agreement or to such other address as a Party shall designate.
- (d) **Acknowledgment and Authority.** By execution hereof, the signers hereby certify that they have read this Agreement and these terms, understand them, and agree to all terms and provisions stated herein. In addition, Seller and Customer warrant to each other that each respective Party and its respective signatory have the full right, power, and authority to execute this Agreement.
- (e) **Secrecy and Confidentiality.** Each Party covenants and agrees on behalf of itself, its officers, directors, employees, and agents as follows: (i) all information obtained from a Party (including, but not limited to, customer lists, customer-sensitive information, business practices and operations, pricing and financial information, product plans and designs, and configurations and layouts) is secret, proprietary, and confidential; (ii) such information shall be neither disclosed to others nor used for any unauthorized purpose; and (iii) each Party shall use its best efforts to return such information to the other Party upon termination of this Agreement. This provision does not apply to such information that (a) was in the possession of a Party before disclosure to such Party by the other Party; (b) becomes a matter of public record through no fault of a Party; or (c) is released by or at the direction of the Party that originally disclosed such information to the other Party.
- (f) **Waiver.** If either Party fails to enforce any right or remedy available under the terms and provisions of this Agreement, such failure shall not be construed as a waiver of any right or remedy with respect to that breach or any other breach or failure by the other Party. Rather, any waiver of a Party's rights or remedies available under the terms and provisions of this Agreement must be in a writing that is signed by the Party against whom enforcement is sought.
- (g) **Severability.** In the event that any term or provision of this Agreement is held to be illegal, unenforceable, or invalid, the remaining terms and provisions hereof shall remain in full force and effect.
- (h) **Survival of Terms.** Notwithstanding any termination or expiration of this Agreement, all rights and remedies available to the Parties and all terms and provisions of this Agreement that are not performed or cannot be performed during the term of this Agreement shall survive the termination or expiration of this Agreement.
- (i) **Governing Law.** The laws of the jurisdiction where the Products, Professional Services, Managed Services, and/or Maintenance Services are to be provided (including, but not limited to, the Uniform Commercial Code as adopted in that jurisdiction) apply to all Products, Professional Services, Managed Services, and/or Maintenance Services provided under the terms and provisions of this Agreement, without reference to such jurisdiction's conflicts of law principles.
- (j) **Counterparts and Electronic Signature.** This Agreement may be executed in two (2) or more counterparts, each of which will be deemed an original, but all of which taken together shall constitute one (1) and the same Agreement. The counterparts of this Agreement may be executed and delivered by facsimile or other electronic signature by one (1) Party to the other Party. The receiving Party may rely on the receipt of such document so executed and delivered by facsimile or other electronic means as if the original had been received.

ARTICLE II – ADDITIONAL TERMS AND CONDITIONS SPECIFIC FOR PRODUCTS AND PROFESSIONAL SERVICES

1. **TITLE; RISK OF LOSS.** Title, ownership, and risk of loss of hardware sold pursuant to the terms and provisions of this Agreement shall pass to Customer upon delivery to Customer. Title and ownership of software delivered to Customer pursuant to the terms and provisions of this Agreement shall remain solely with its licensor. Risk of loss of software delivered to Customer pursuant to the terms and provisions of this Agreement shall pass to Customer upon delivery to Customer.
2. **SECURITY INTEREST.** Seller reserves a purchase money security interest in and to the Products (together with the cost of any Professional Services related thereto) sold hereunder as security for performance of Customer's obligations. Seller may file the Agreement (together with any attachments thereto) to perfect such interest.
3. **WARRANTIES; DISCLAIMERS; SOFTWARE LICENSES.** Seller represents and warrants that, immediately prior to the sale of a Product to Customer, Seller will be the lawful owner thereof, free and clear of any liens and encumbrances (other than those that may arise under the terms and provisions of this Agreement). In addition, Seller represents and warrants that Seller has the full right, power, and authority to sell, deliver, or provide the Product to Customer.
- (a) **Product Warranties.** Products are warranted to Customer either directly by the original equipment manufacturer ("OEM") or by Seller.
- 1) **Direct OEM Warranty.** Customer receives the OEM's warranty in effect at the time of delivery with respect to hardware purchased and/or software licensed hereunder. Except for the warranties of title and rightful transfer, the OEM warranty is Customer's sole warranty with respect to such items. SELLER MAKES NO OTHER EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO OEM PRODUCTS.
- 2) **Indirect OEM Warranty.** If Customer does not receive the Product warranty directly from the OEM, then Seller warrants the Products to Customer to the same extent and term as the OEM warrants the Products to Seller. Upon request, Seller will provide such warranty information to Customer. Except for the warranties of title and rightful transfer, the OEM warranty is Customer's sole warranty with respect to such items. SELLER MAKES NO OTHER EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO OEM PRODUCTS.
- 3) **Seller Warranty for Refurbished Products.**
- i) Products refurbished by Seller are warranted for a term of one (1) year from either (i) the date of Product delivery if the Product is installed by Customer; or (ii) the date of Product installation if the Product is installed by Seller.
- ii) This warranty does not extend to Products or Product components that have had their serial numbers, date of manufacturing, or OEM labels removed, defaced, or altered, nor does this warranty cover any of the following: counterfeit parts; repair for damages to Products or Product components; or malfunctions caused by (i) misuse, neglect, power failures, power surges, lightning, fire, flood, or accident; (ii) use of products or facilities supplied by others; (iii) failure to follow installation, operation, or maintenance instructions; (iv) failure to permit remote access; or (v) force majeure conditions specified in Article I, Section 5 of this Attachment A.
- (b) **Professional Services Warranty.** Professional Services are warranted for thirty (30) days from the date on which such Professional Services are completed. Professional Services will be performed in a good and workmanlike manner by qualified personnel.
- (c) **Warranty Procedures and Disclaimers.** The terms and provisions of this Article II, Section 3(c) apply to all Products and Replacement Products provided hereunder.

1) If a Product or a Replacement Product does not conform to the Product warranty during the warranty period, Customer shall promptly notify Seller in writing of such non-conformance, which shall be stated in detail sufficient to describe both the problem and its symptoms. Seller or the OEM (as the case may be), at its option, will either (i) repair the Product so that the Product conforms to the Product warranty; or (ii) replace the Product with a Product that conforms to the Product warranty ("Replacement Product"). Replacement Products are warranted as outlined above for the remainder of the original applicable Product warranty period. Replaced Products become the property of Seller. Seller will not charge Customer for the Replacement Product. Seller, however, may charge Customer for the time that is incurred to diagnose the problem and to repair or replace the Product, if the problem is not covered by the Product warranty.

2) THE EXPRESS WARRANTIES HEREIN CONTAINED ARE IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING NON-INFRINGEMENT AND THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH SELLER DISCLAIMS AND ARE EXCLUDED. SELLER DOES NOT WARRANT UNINTERRUPTED OR ERROR-FREE OPERATION OF THE PRODUCTS OR SERVICES PROVIDED HEREUNDER. SELLER DOES NOT WARRANT THAT THE PRODUCTS ARE IMMUNE FROM OR WILL PREVENT EITHER FRAUDULENT INTRUSION OR UNAUTHORIZED USE. SELLER WILL NOT BE RESPONSIBLE FOR UNAUTHORIZED USE (OR THE IMPACTS OF FOR SUCH USE) OF COMMON CARRIER SERVICES OR FACILITIES ACCESSED THROUGH OR CONNECTED TO THE PRODUCTS. UNLESS OTHERWISE AGREED IN THIS AGREEMENT, CUSTOMER IS SOLELY RESPONSIBLE FOR ENSURING THAT CUSTOMER'S NETWORKS AND SYSTEMS ARE ADEQUATELY SECURED AGAINST UNAUTHORIZED INTRUSION.

3) If the Products are to be used either on or to support Telephony over Transmission Control Protocol/Internet Protocol (TCP/IP) facilities, Seller requires that a network assessment be performed prior to installation to determine network performance, reliability, and security. In the event that Customer either refuses to authorize a pre-installation network assessment or fails to follow Seller's reasonable recommendations after Seller performs the network assessment, and if performance problems are encountered and determined to be associated with network performance, reliability, or security issues, Customer shall be solely responsible for all costs associated with a post-installation network assessment and network reconfiguration.

(d) **Software Licenses.** Customer agrees that it has read, understood, and will abide by the terms and provisions of the software license(s) pertinent to the Products provided hereunder. Such software licenses may be found on the Internet at <http://convergeone.com/support/end-user-license-agreements-and-product-warranties/>. Seller Software licenses, as identified in the pertinent Solution Summary, may be found in the Statement of Work corresponding to the pertinent Solution Summary.

4. **PROFESSIONAL SERVICES AND TIMING.** Professional Services not specifically itemized are not provided. CUSTOMER IS SOLELY RESPONSIBLE FOR SYSTEM BACK-UP PRIOR TO COMMENCEMENT OF PROFESSIONAL SERVICES OR INSTALLATION OF A PRODUCT.

ARTICLE III – ADDITIONAL TERMS AND CONDITIONS SPECIFIC FOR MANAGED SERVICES

1. DEFINED TERMS OF ARTICLE III.

- (a) "EULA" is an acronym used to refer to an End User License Agreement.
- (b) "Managed Products" are all hardware and/or software identified on a Master Agreement Rider or Solution Quote for which the Managed Services are to be provided.
- (c) "Managed Sites" are the locations specified on each pertinent Master Agreement Rider or Solution Quote.
- (d) "One Vision Services" means the proactive monitoring portion of the Managed Services.
- (e) "Rules" refers to the rules outlined in Article III, Section 5(b) of this Attachment A (Certain Rules and Limitations of Use).

2. PROVISION AND SCOPE OF MANAGED SERVICES.

- (a) **Order Form and Provision of Managed Services.** Seller will provide the Managed Services for Managed Products at Managed Sites, as described further in each pertinent Solution Summary that references the Agreement. The Price set forth on the pertinent Solution Summary for Managed Services is based on the number of active Managed Products. Seller, at its discretion, will perform a true-up on a quarterly basis to reconcile future billing on any Managed Products that have been added (activated) or removed (deactivated) during the previous period.
- (b) **Monitoring.** Seller may electronically monitor Managed Products for the following purposes: (i) to perform and analyze diagnostics from a remote location and to take corrective actions, if necessary; (ii) to determine system configuration and applicable charges; (iii) to verify compliance with applicable software license terms and restrictions; (iv) to assess Customer needs for additional products and/or Managed Services; and (v) as otherwise provided in each pertinent Solution Summary.
- (c) **General Limitations.** Seller will not provide Managed Services for Managed Products that have been misused, used in breach of the terms and provisions of their respective license, improperly installed or configured, or that have had their serial numbers altered, defaced, or deleted.

3. CUSTOMER RESPONSIBILITIES FOR MANAGED SERVICES.

- (a) **Provision of Managed Products.** Customer will provide all Managed Products and Managed Sites. Customer continuously represents and warrants that (i) Customer is either the owner of, or is authorized to access and use, each Managed Product and each Managed Site; and (ii) Seller and its suppliers and subcontractors are authorized to do the same to the extent necessary to provide the Managed Services in a timely manner.
- (b) **Moves of Managed Products.** When Customer seeks to move any Managed Products, Customer will notify Seller. Only Seller or its authorized agent may move Managed Products. Seller may charge additional amounts to recover any additional costs incurred by Seller in providing the Managed Services that result from the move of Managed Products by a party other than Seller or its authorized agent.
- (c) **Identification Tags.** Customer will not remove any identification tags or other markings from any Managed Product.

4. **TITLE AND RISK OF LOSS OF MANAGED PRODUCTS.** Except for Products provided by Seller to Customer under the terms and provisions of this Agreement, title to the Managed Products will have passed to Customer pursuant to the terms and provisions of a separate agreement under which Customer originally obtained the Managed Products. Customer will bear the risk of loss, theft, destruction, or damage to the Managed Products (each, a "Loss"), and Customer will promptly provide written notice to Seller of any Loss

that occurs. Customer, at its expense, will maintain insurance against Losses to the Managed Products for the full replacement value of the Managed Products. Upon Seller's request, Customer will provide Seller with evidence of this insurance.

5. **SOFTWARE LICENSE FOR MONITORING SOFTWARE INCLUDED IN MANAGED SERVICES.** Customer understands that Seller may license software from a third party to provide the Managed Services for which Customer may have access to certain functionality. Customer may use such software in accordance with the terms and conditions of any end user license agreement accompanying such software, whether the terms and conditions of the end user license be in "shrinkwrap," "clickwrap," or some other form.

6. **TERM AND TERMINATION RIGHTS OF MANAGED SERVICES.**

(a) **Managed Services Term.** Unless a different term is specified on the pertinent Solution Summary, or in the Statement of Work corresponding to the pertinent Solution Summary, Seller will provide the applicable Managed Services for a term ("Managed Services Term") of one (1) year.

(b) **Termination Rights of Managed Services.**

1) **For Convenience.** Unless otherwise specified on the pertinent Solution Summary, or in the pertinent Statement of Work, Customer may terminate Managed Services, in whole or in part, upon providing Seller with thirty (30) days advance written notice; provided, however, that Customer shall be liable to Seller for the lesser amount due for Managed Services for (i) twelve (12) months; or (ii) the remainder of the Managed Services Term.

2) **For Cause.** Either Party may terminate the pertinent Managed Services included in a Solution Summary without liability to the other Party by providing written notice to such other Party if such other Party (a) fails to cure any material breach of the terms and provisions of the Agreement or the pertinent Managed Services included in the pertinent Solution Summary within a thirty (30)-day period after it has received from the non-breaching Party a written notice that details the breach and requests that the breach be cured; or (b) becomes insolvent or insolvency proceedings are instituted against such other Party.

7. **MANAGED SERVICES WARRANTIES; DISCLAIMERS.**

(a) **Managed Services Warranty.** Seller represents and warrants to Customer that the Managed Services will be performed in a professional and workmanlike manner by qualified personnel and in accordance with the terms and provisions of the Agreement and the pertinent Solution Summary. If the Managed Services have not been so performed and if within thirty (30) days after the performance of the Managed Services Customer provides to Seller written notice of such non-compliance, then Seller, at its option, will re-perform the Managed Services, correct the deficiencies, or render a prorated refund based on the original charge for the deficient Managed Services. The warranty remedies expressly provided in this Section will be Customer's sole and exclusive remedies for breach of warranty claims only.

(b) EXCEPT AS REFERENCED AND LIMITED IN THIS ARTICLE III, SECTION 7 OF ATTACHMENT A, NEITHER SELLER NOR ITS LICENSORS OR SUPPLIERS MAKE ANY OTHER EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE MANAGED SERVICES. IN PARTICULAR, THERE IS NO WARRANTY THAT ALL SECURITY THREATS AND VULNERABILITIES WILL BE DETECTED OR THAT THE MANAGED SERVICES WILL RENDER ANY PRODUCT SAFE FROM SECURITY BREACHES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, SELLER DISCLAIMS ALL OTHER EXPRESS, IMPLIED, AND STATUTORY WARRANTIES, INCLUDING, BUT NOT LIMITED TO, NON-INFRINGEMENT AND THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

ARTICLE IV – ADDITIONAL TERMS AND CONDITIONS SPECIFIC FOR MAINTENANCE SERVICES

1. **DEFINED TERMS OF ARTICLE IV.**

(a) "Added Products" are those additional Customer-acquired products of the same type and manufacturer(s) as the existing Supported Products.

(b) "End of Support" occurs when the manufacturer declares a Supported Product "end of life," "end of service," "end of support," "manufacture discontinued," or any similar designation.

(c) "Extended Support" is the limited set of Maintenance Services provided by Seller when certain Supported Products are subject to End of Support.

(d) "Host" is a third party service provider.

(e) "Maintained Products" means collectively, the Supported Products and the Supported Systems

(f) "New Software" includes patches, Updates, or feature upgrades for Supported Products.

(g) "Supported Products" are (1) all hardware and/or software identified on a Maintenance Services Order Form for which the Maintenance Services are to be provided; and (2) Added Products.

(h) "Supported Sites" are the locations specified on a Maintenance Services Order Form or Statement of Work.

(i) "Supported Systems" are the networks specified on a Maintenance Services Order Form, and/or a group of Supported Products.

(j) "Replacement Hardware" is hardware that Seller provides as part of the Maintenance Services.

(k) "Vendor Management" are certain functions Seller performs to instruct third party vendors, or request products or services on Customer's behalf from third party vendors, under Customer's supply contracts with such third party vendors.

2. **PROVISION AND SCOPE OF MAINTENANCE SERVICES.**

(a) **Order Form and Provision of Maintenance Services.** Seller will provide the Maintenance Services for Supported Products or Supported Systems at Supported Sites, as described further in the Solution Summary. The Price set forth on the pertinent Solution Summary is based on the port and item counts provided to Seller. If the actual quantities of ports that are maintained at the inception of the Solution Summary vary by more than five percent (5%) from the port count provided to Seller, and/or there is a discovery of additional items, Seller reserves the right to adjust the Price on the pertinent Solution Summary to reflect the actual quantities being maintained. Seller, at its discretion, will perform a true-up on a quarterly basis to reconcile future billing on any items that have been added (activated) or removed (deactivated) during the previous period.

(b) **Title and Risk of Loss of Supported Products.** Except for Products sold by Seller to Customer under the terms and provision of this Agreement, title to the Supported Products will have passed to Customer pursuant to the terms and provisions of a separate agreement under which Customer originally obtained the Supported Products. Title to any Replacement Hardware (as defined in Article IV, Section 2(h) of this Attachment A) (if applicable) provided by Seller as part of the Maintenance Services will pass to Customer when installed. Customer bears the risk of loss, theft, destruction, or damage to the Supported Products (each, a "Loss"), and Customer will

promptly provide Seller with written notice of any Loss that occurs. Customer, at its expense, will maintain insurance against Losses to the Supported Products for the full replacement value of the Maintained Products. Upon the request of Seller, Customer will provide Seller with evidence of this insurance.

(c) **Monitoring.** Seller may electronically monitor Maintained Products for the following purposes: (i) to perform and analyze diagnostics from a remote location and to take corrective actions, if necessary; (ii) to determine system configuration and applicable charges; (iii) to verify compliance with applicable software license terms and restrictions; (iv) to assess Customer needs for additional products and/or Maintenance Services; and (v) as otherwise provided in the Statement of Work.

(d) **Error Correction.** Some Maintenance Services options may include correction of Errors. An "Error" means a failure of a Supported Product to conform in all material respects to the manufacturer's specifications applicable when the Supported Product was originally purchased or originally licensed by Customer.

(e) **Help Line Support.** Where the Maintenance Services include help line support, Seller will provide such help line support (e.g., service hours and target response intervals) in accordance with that which is indicated on the Solution Summary.

(f) **Updates.** Where the Maintenance Services include the provision of Updates, Seller will make available to Customer such Updates as the manufacturer makes available to Seller. An "Update" is a change in software that typically provides maintenance correction only. An Update typically is designated as a change in the digit to the right of the second decimal point (e.g., n.y.[z]). Seller, at its option, will determine how to provide an Update (e.g., via a website, email, U.S. Mail, etc.). Updates may either be remotely installed by Seller (or its subcontractor) or delivered to Customer for installation by Customer.

(g) **End of Support.** The Seller may discontinue or limit the scope of Maintenance Services on a Supported Product for which the manufacturer has declared End of Support. If Maintenance Services are discontinued for a Supported Product, the Supported Product will be removed from the Solution Summary and the Price adjusted accordingly. For certain Supported Products subject to End of Support, Seller may continue to offer Extended Support. Where Seller chooses to provide such Extended Support, the description of such Extended Support, and the fees associated therewith, will be available at the time notice is sent by Seller to Customer. These notices will communicate information such as Extended Support eligibility, Extended Support alerts related to parts shortages, and end of Maintenance Services (including Extended Support) eligibility.

(h) **Replacement Hardware.** Replacement Hardware may be new, factory reconditioned, refurbished, re-manufactured, or functionally equivalent. Replacement Hardware, if not new, will be warranted the same as new hardware and will be equivalent to new in its performance. Replacement Hardware will only be furnished on an exchange basis. Immediately upon Customer's receipt of Replacement Hardware, or installation of the Replacement Hardware by Seller, as applicable, the hardware being replaced by Seller will become the property of Seller. Seller represents and warrants that all Replacement Hardware will be free of defects in design, materials, and workmanship. In addition, if Seller is not the manufacturer of such Replacement Hardware, Seller will make available to Customer all warranties provided by the manufacturer for such Replacement Hardware.

(i) **Added Products.** If Customer acquires Added Products and locates such Added Products with existing Supported Products at a Supported Site, the Added Products will automatically be added to the Solution Summary at the then current fees charged by Seller as of the date on which the Added Products are first co-located with the Supported Products and for the remainder of the Maintenance Term (as hereinafter defined). Added Products purchased from a party other than Seller are subject to certification by Seller at its then current certification rates. If an Added Product fails certification, Seller may choose not to add such Added Product as a Supported Product.

(j) **General Limitations.** Unless a Statement of Work provides otherwise, Seller will only provide Maintenance Services on software for (i) the unaltered current release of such software, and (ii) the prior release of such software. The following items are included in the Maintenance Services only if the Statement of Work specifically includes them: (i) support of user-defined applications; (ii) support of Supported Products that have been modified by a party other than Seller (except for installation of standard, self-installed Updates provided by the manufacturer); (iii) making corrections to user-defined reports; (iv) data recovery services; (v) services associated with relocation of Supported Products; (vi) correction of Errors arising from causes external to the Supported Products (such as power failures, power surges, or lightning strikes); (vii) Maintenance Services for Supported Products that have been misused, used in breach of the terms and provisions of their respective license, improperly installed or configured, or that have had their serial numbers altered, defaced, or deleted; and (viii) correction of Errors, the cause of which occurred prior to the commencement of Maintenance Services pursuant to the terms of the pertinent Solution Summary.

3. CUSTOMER RESPONSIBILITIES FOR MAINTAINED PRODUCTS.

(a) **Provision of Supported Products and Supported Systems.** Customer will provide all Supported Products, Supported Systems, and Supported Sites. Customer continuously represents and warrants that (i) Customer is either the owner of, or is authorized to access and use, each Supported Product, each Supported System, and each Supported Site; and (ii) Seller and its suppliers and subcontractors are authorized to do the same to the extent necessary to provide the Maintenance Services in a timely manner.

(b) **Moves of Supported Products.** When Customer seeks to move any Supported Product, Customer will notify Seller. Only Seller or its authorized agent may move Supported Products. Seller may charge additional amounts to recover any additional costs incurred in providing the Maintenance Services that result from the move of Supported Products by a party other than Seller or its authorized agent.

(c) **Identification of Maintained Products.** Customer will not remove any identification tags or other markings from any Maintained Product.

(d) **Vendor Management Authorization.** Where Seller is to perform Vendor Management functions, Customer will provide Seller with a letter of agency or similar document, in a form that is reasonably satisfactory to Seller, that authorizes Seller to perform the Vendor Management. Where the third party vendor's consent is required for Seller to be able to perform the Vendor Management in a timely manner, Customer will obtain the written consent of the third party vendor and will provide Seller with a copy of such written consent.

(e) **Third Party Hosting.** For Maintenance Services that include monitoring, in the event that one (1) or more network address(es) to be monitored by Seller are associated with systems owned, managed, and/or hosted by a Host, Customer will (i) notify Seller of the Host prior to commencement of the Maintenance Services; (ii) obtain Host's advance written consent for Seller to perform the Maintenance Services on Host's computer systems and provide to Seller a copy of such written consent; and (iii) facilitate necessary communications between Seller and Host in connection with the Maintenance Services.

4. **SOFTWARE LICENSES OF MAINTAINED PRODUCTS.** Where the Maintenance Services include providing New Software, the New Software will be provided subject to the license grant and restrictions contained in the original agreement under which Customer licensed the original software for which the New Software is provided. Where there is no existing license for the original software, New

Software will be provided subject to the current license terms and restrictions of the manufacturer for the New Software. New Software may include components provided by third party suppliers that are subject to their own end user license agreements. Customer may install and use these components in accordance with the terms and conditions of the end user license agreement accompanying such components, whether the terms and conditions of the end user license are in "shrinkwrap," "clickwrap," or some other form.

5. TERM AND TERMINATION RIGHTS OF MAINTENANCE SERVICES.

(a) **Maintenance Services Term.** Unless a different term is specified on the pertinent Solution Summary, Seller will provide the applicable Maintenance Services for a term ("Maintenance Term") of one (1) year. Following the expiration of the Maintenance Term, Maintenance Services will automatically renew for successive one (1) year periods (each a "Maintenance Renewal Term") at the Price set forth in the pertinent Solution Summary for each respective Supported Product, unless, at least thirty (30) days prior to the expiration of the Maintenance Term or the applicable Maintenance Renewal Term, Customer or Seller provides the other with written notice of its intent not to renew.

(b) **Termination Rights of Maintenance Services.**

1) **For Convenience.** Unless otherwise specified on the pertinent Solution Summary, Customer may terminate Maintenance Services, in whole or in part, upon providing Seller with thirty (30) days advance written notice; provided, however, that Customer shall be liable to Seller for the lesser amount due for Maintenance Services for (i) twelve (12) months; or (ii) the remainder of the Maintenance Term or the applicable Maintenance Renewal Term.

2) **For Cause.** Either Party may terminate the pertinent Maintenance Services included in a Solution Summary without liability to the other Party by providing written notice to such other Party if such other Party (a) fails to cure any material breach of the terms and provisions of the Agreement or the pertinent Maintenance Services included in the pertinent Solution Summary within a thirty (30)-day period after it has received from the non-breaching Party a written notice that details the breach and requests that the breach be cured; or (b) becomes insolvent, or insolvency proceedings are instituted against such other Party.

6. MAINTENANCE SERVICES WARRANTIES; DISCLAIMERS.

(a) **Maintenance Services Warranty.** Seller represents and warrants to Customer that the Maintenance Services will be performed in a professional and workmanlike manner by qualified personnel and in accordance with the terms and provisions of the Agreement and the pertinent Solution Summary. If the Maintenance Services have not been so performed, and if within thirty (30) days after the performance of the Maintenance Services Customer provides Seller with a written notice of such non-compliance, then Seller, at its option, will re-perform the Maintenance Services, correct the deficiencies, or render a prorated refund based on the original Price for the deficient Maintenance Services. The warranty remedies expressly provided in this Article IV, Section 6 of Attachment A will be Customer's sole and exclusive remedies for breach of warranty claims only.

(b) EXCEPT AS REFERENCED AND LIMITED IN THIS ARTICLE IV, SECTION 6 OF ATTACHMENT A, NEITHER SELLER NOR ITS LICENSORS OR SUPPLIERS MAKE ANY OTHER EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE MAINTENANCE SERVICES. IN PARTICULAR, THERE IS NO WARRANTY THAT ALL SECURITY THREATS AND VULNERABILITIES WILL BE DETECTED OR THAT THE MAINTENANCE SERVICES WILL RENDER A SUPPORTED PRODUCT OR SUPPORTED SYSTEM SAFE FROM SECURITY BREACHES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, SELLER DISCLAIMS ALL OTHER EXPRESS, IMPLIED, AND STATUTORY WARRANTIES, INCLUDING, BUT NOT LIMITED TO, NON-INFRINGEMENT AND THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.



Appendix 2
C1 Hosted Cloud Services Agreement

Hosted Cloud Services Agreement**Date:****SELLER: ConvergeOne, Inc.**
3344 Dodd Road
Eagan, MN 55121
(800) 431-1333**CUSTOMER:**

This HOSTED CLOUD SERVICES AGREEMENT ("Agreement") is made and entered into on the date indicated above ("Effective Date") by and between Seller and Customer. Seller and Customer are each a "Party" to this Agreement and may collectively be referred to as the "Parties."

In consideration of the mutual undertakings herein contained, the Parties agree as follows:

1. This Agreement shall apply to:

- A) "Datacenter Infrastructure," means the datacenter infrastructure as described on a Statement of Work ("Statement of Work", "Scope of Work", or "SOW"), owned by Seller, access to which is to be supplied to Customer by Seller as a hosted cloud service for Customer's use;
- B) "Telecom Services" means the telecom services ordered by Customer from Seller to reside on the Datacenter Infrastructure provided on the basis of the quantity and type of user and described in detail on a SOW. Additional users may be added or removed in accordance with the terms of the SOW. Monthly billing will be calculated as the sum of Total Monthly User Fees or the Total Minimum Monthly Fees, whichever is greater, and will be calculated in arrears after each month of service through the end of the Term of this Agreement; and
- C) "Maintenance Services" means the maintenance services required to maintain and service the Datacenter Infrastructure and described in detail in an SOW.

Seller's provision of access to the Datacenter Infrastructure, along with Seller's provision of the Telecom Services, Maintenance Services, and any other professional services ("Professional Services") that relate to the Datacenter Infrastructure as outlined in the pertinent SOW, shall collectively be referred to as the "Services" or "Hosted Cloud Services".

In the event of a conflict between the terms and provisions of the SOW and the terms and provisions of this Agreement, the terms and provisions of this Agreement will control. Seller will provide the Services to Customer at times upon which Customer and Seller agree. Customer agrees to evaluate the Datacenter Infrastructure and Services to determine if they are complete and in compliance to service requirements. The Services will be deemed irrevocably accepted by Customer upon the delivery by Seller.

2. Customer may issue to Seller a purchase order to order the Services from Seller, but no terms or provisions of the purchase order shall apply. Rather, only the terms and provisions of this Agreement and the applicable SOW shall apply to the Services. If Customer submits a purchase order to order the Services hereunder, the purchase order must contain the following language: "THE TERMS AND PROVISIONS OF THE HOSTED CLOUD SERVICES AGREEMENT DATED [INSERT DATE] BY AND BETWEEN CONVERGEONE, INC. AND [INSERT CUSTOMER NAME] APPLY TO THIS PURCHASE ORDER."

3. **FEES.** The price to be charged per user type for the Services ("Total Monthly User Fees") shall be specified on the SOW. The greater of the Total Monthly User Fees or Total Minimum Monthly Fees shall be paid to Seller or its assignee in installments as specified in the SOW. Customer shall pay to Seller or its assignee the greater of the Total Monthly Users Fees or Total Minimum Monthly Fees, together with any other itemized charges, taxes, and costs (collectively the "Amount Due"), in the manner described in the SOW. The currency to be used for payment of the Amount Due is the United States Dollar. If any fee or other amount payable to Seller or its assignee is not paid within 10 days of its due date, Customer shall, to the extent permitted by law, pay on demand, as a late charge, an amount equal to the greater of \$25.00 or 5% of the amount then due for each 30 days or portion thereof that said overdue payments are not made (but in no event to exceed the highest late charge permitted by applicable law).
4. **INVOICING AND PAYMENT.** Seller or its assignee will invoice Customer the greater of the Total Monthly User Fees or Minimum Monthly Fees and any other amounts due under this Agreement, on a monthly basis in arrears, unless the applicable SOW provides otherwise. For payments due in arrears, payment is due thirty (30) days after the invoice date. Customer will pay all bank charges, taxes, duties, levies, and other costs and commissions associated with any wire transfer or other means of payment. Customer is not responsible for any income tax assessed on the net income of Seller or its assignee.
5. **CUSTOMER RESPONSIBILITIES.**
 - 5.1. **General.** Customer will cooperate with Seller as reasonably necessary for Seller's performance of its obligations under this Agreement, including but not limited to: (i) providing Seller with full, free, and safe access to Customer's facilities; (ii) providing telephone numbers, network addresses, and passwords necessary for remote access; and (iii) providing interface information and necessary third party consents and licenses. The foregoing three (3) items will be provided by Customer at Customer's expense. If Seller provides an Update or other new release of software as part of the Telecom Services or Maintenance Services, Customer will implement it promptly. Customer agrees to fulfill its responsibilities listed in this Agreement and in the applicable SOW. Seller will be relieved of its responsibilities to provide the Services and will incur no liability to Customer, or any third party, to the extent Seller's responsibilities are adversely impacted by, or any liability arises as a result of, Customer's failure to fulfill its responsibilities, in whole or in part, under this Agreement and/or the applicable SOW.
 - 5.2. **911 Acknowledgement and Acceptable Use Policy.** Customer acknowledges, agrees and will comply with the 911 Acknowledgement attached as Exhibit 1 and the Acceptable Use Policy attached as Exhibit 2.
 - 5.3. **Vendor Management.** If as part of the Services Seller is to instruct or request products or services on Customer's behalf from third party vendors under Customer's supply contracts with the third party vendors ("Vendor Management"), Customer will provide Seller with a letter of agency or similar document, in a form that is reasonably satisfactory to Seller, that authorizes Seller to perform the Vendor Management. Where the third party vendor's consent is required for Seller to be able to perform the Vendor Management in a timely manner, Customer will obtain the written consent of the third party vendor and will provide Seller with a copy of such written consent.
 - 5.4. **Third Party Hosting.** For Telecom Services and Maintenance Services that include monitoring, if one (1) or more network address(es) to be monitored by Seller are associated with systems owned, managed, and/or hosted by a third party service provider ("Host"), Customer will (i) notify Seller of the Host prior to commencement of the Telecom Services and Maintenance Services; (ii) obtain Host's advance written consent for Seller to perform the Telecom Services and Maintenance Services on Host's computer systems on the form provided by Seller, and will provide Seller with a copy of such signed consent; and (iii) facilitate necessary communications between Seller and Host in connection with the Telecom Services and Maintenance Services.
 - 5.5. **No Access to Personally Identifiable Information.** Each Party acknowledges that with respect to Seller's performance of the Telecom Services and Maintenance Services, such Telecom Services and Maintenance Services do not involve or in any way require access by Seller to Personally Identifiable Information (for purposes of this Section 5.5, "Personally Identifiable Information" means information that would enable the identification of an individual including, without limitation, information governed by any applicable privacy or data protection law, statute or regulation). If, in the future, Customer requests Telecom Services or Maintenance Services that require Seller to have access to Personally Identifiable Information, those additional Telecom Services and/or Maintenance Services, and the security requirements associated with the access to the Personally Identifiable Information in order to perform those additional Telecom Services and/or Maintenance Services, shall be subject to a separate written agreement between the Customer and Seller. Customer shall not provide Personally

Identifiable Information to Seller in connection with the Services unless the Parties have entered into a separate written agreement with appropriate data security requirements to protect such information.

- 5.6. Customer Coordinator. Customer shall designate a coordinator at Customer's site ("Coordinator") with the knowledge and authority to make decisions with respect to all of Customer's operations in order for Seller to meet its obligations hereunder.
- 5.7. Testing Data. Customer shall make available such data as is necessary to adequately test the Datacenter Infrastructure and Telecom Service(s).
- 5.8. Services are provided to Customer for business use only. Customer may not use the Services for any personal, residential, non-business and/or non-professional purpose. Customer may not resell or transfer the Services to any other person for any purpose or make any charge for the use of the Services, without express, prior written permission from Seller. If Seller determines in its sole discretion that Customer is using the Services for non-business and/or non-commercial purposes, Seller reserves the right to immediately terminate the Services, change the calling plan, or otherwise modify the Services.
- 5.9. Customer shall not: (a) copy or adapt the Services and/or associated Software for any purpose, except as specifically permitted under this Agreement; (b) use the Services and/or associated Software except in accordance with all applicable laws and regulations, and except as set forth in the Documentation; (c) reverse engineer, translate, decompile, or disassemble the Services and/or associated Software; (d) use the Services and/or associated Software in any outsourcing arrangement, application service provider arrangement, time-sharing arrangement, or service bureau arrangement, including, without limitation, to provide services or process data for the benefit of, or on behalf of, any third party other than the Customer; or (e) cause or permit the disabling or circumvention of any security mechanism contained in or associated with the Services and/or associated Software. For the avoidance of doubt, Customer acknowledges and agrees that Customer shall not use the Services for any fraudulent, illegal, or disruptive activities.
- 5.10 Customer acknowledges that Customer is responsible for all use(s) related to Customer's account. Customer assumes full responsibility for the actions of any individual that uses the Services via Customer's account, regardless of whether such use was done with or without Customer permission. Customer acknowledges that the Internet is not a totally secure network, and that third parties may be able to intercept, access, use or corrupt the information and/or telephone calls Customer transmits over the Internet. In order to maintain the security of Services, Customer must safeguard User IDs and Passwords, as well as the media access control (MAC) address of any equipment used to access Seller Services. Customer further acknowledges that the MAC address is information used by Seller to authenticate Customer calls, and therefore may not be shared by Customer.
6. CONFIDENTIAL INFORMATION. "Confidential Information" means either Party's business and/or technical information (including, but not limited to, information concerning any pricing and discounts), information concerning employees, and all other non-public information and data related to such Party, regardless of whether such information is in tangible, electronic, or other form. Confidential Information does not include materials or information that (i) is generally known by third parties as a result of no act or omission of the receiving Party; (ii) subsequent to its disclosure, it was lawfully received from a third party having the right to disseminate the information without restriction on disclosure; (iii) was already known by the receiving Party prior to receiving it from the other Party and it was not received from a third party in breach of that third party's obligations of confidentiality; (iv) was independently developed by the receiving Party without use of Confidential Information of the disclosing Party; or (v) is required to be disclosed by court order or other lawful government action, but only to the extent ordered, and provided that the receiving Party promptly provides to the disclosing Party written notice of the pending disclosure to the extent permissible under applicable law so that the disclosing Party may attempt to obtain a protective order. In the event of a potential disclosure pursuant to subsection (v) above, the receiving Party will provide reasonable assistance to the disclosing Party where the disclosing Party attempts to obtain a protective order. Each Party will protect the confidentiality of all Confidential Information received from the other Party with the same degree of care as it uses to protect its own Confidential Information, but in no event with less than a reasonable degree of care. Except as permitted in this Section or for the purpose of performing its obligations under the terms and provisions of this Agreement, neither Party will use or disclose the other Party's Confidential Information. The confidentiality obligations of each Party will survive the expiration or termination of this Agreement. Upon the expiration or termination of this Agreement, each Party will cease all use of the other Party's Confidential Information and will promptly return (or, at the other Party's request, destroy) all Confidential Information in tangible form and all copies of Confidential Information in that Party's possession or under its control. In addition, each Party will destroy all copies of the other Party's Confidential Information that it has on its computers, disks, and other digital storage devices. Upon request, a Party will certify in writing its compliance with the terms and provisions of this Section.

7. **FEEDBACK.** If Customer provides Seller with any feedback, improvements or other suggestions regarding the Services ("Feedback"), Customer hereby agrees that Seller has the right to use and fully exploit such Feedback and related information in any manner it deems appropriate. Seller will treat any Feedback it receives from Customer as non-confidential and non-proprietary. Customer agrees that it will not submit to Seller any information or ideas that it considers to be confidential or proprietary.

8. **TERM AND TERMINATION.**

8.1. **Term and Termination.** Unless otherwise specified in the applicable SOW, the Agreement will commence as of the Effective Date and continue for as long as there are any active SOWs, unless otherwise terminated earlier as provided herein (the "Term"). Unless otherwise specified in the applicable SOW, Customer may terminate Services, in whole, upon providing to Seller thirty (30) days advance written notice; provided, however, that Customer shall be liable for the Termination Amount described below. Seller may terminate this Agreement by providing written notice to Customer if an Event of Default (as defined in Section 14 below) occurs.

8.2. **Termination for Cause.** Either Party may terminate this Agreement by giving written notice of termination (i) in the event of a material breach of this Agreement which is not substantially cured within sixty (60) days after written notice is given to the breaching Party specifying the breach; or (ii) in the event of (A) the liquidation or insolvency of a Party; (B) the appointment of a receiver or similar officer for a Party; (C) an assignment by a Party to its creditors of all or substantially all of its assets; or (D) the filing of a meritorious petition in bankruptcy by or against a Party under any bankruptcy or debtors' law for its relief or reorganization.

8.3. **Termination Amount.** Upon any termination of the applicable SOW, Customer shall promptly pay Seller the remaining unpaid Total Minimum Monthly Fees under such SOW (the "Termination Amount") for the original Initial Term.

8.4. **Effect of Termination.** Termination of this Agreement or any SOW shall not limit the right of either Party to pursue other remedies available to it, including injunctive relief. If the Agreement ends, Customer and Vendor shall work in good faith to develop a mutually agreed upon transition schedule and fee schedule for up to ninety (90) days to support moving the Telecom Services and Maintenance Services in-house or to alternative service provider(s).

9. **REPRESENTATIONS AND WARRANTIES.** Seller represents and warrants to Customer that the Telecom Services and Maintenance Services will be performed in a professional and workmanlike manner by qualified personnel. If the Telecom Services or Maintenance Services have not been so performed and if within thirty (30) days after the performance of the applicable Telecom Service or Maintenance Service Customer provides to Seller written notice of such non-compliance, then Seller, at its option, will re-perform such Telecom Service or Maintenance Service, correct the deficiencies, or render a prorated refund based on the original charge for the deficient Telecom Service or Maintenance Service.

The warranty remedies expressly provided in this Section will be Seller's sole liability and Customer's sole and exclusive remedies for breach of the foregoing warranty. EXCEPT FOR THE EXPRESS WARRANTY IN THIS SECTION 9, SELLER NOR ITS LICENSORS, ASSIGNEE, OR SUPPLIERS MAKE ANY OTHER EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE DATACENTER INFRASTRUCTURE OR THE TELECOM SERVICES OR MAINTENANCE SERVICES. IN PARTICULAR, THERE IS NO WARRANTY THAT (i) ANY SERVICE WILL MEET ANY PARTICULAR REQUIREMENTS; (ii) ANY SERVICE WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE; (iii) ALL SECURITY THREATS AND VULNERABILITIES WILL BE DETECTED; OR (iv) THE TELECOM SERVICES OR MAINTENANCE SERVICES WILL RENDER ANY PRODUCT OR DATACENTER INFRASTRUCTURE SAFE FROM SECURITY BREACHES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, SELLER DISCLAIMS ALL OTHER EXPRESS, IMPLIED, AND STATUTORY WARRANTIES, INCLUDING, BUT NOT LIMITED TO, NON-INFRINGEMENT AND THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

10. **LIMITATION OF LIABILITY.** IN NO EVENT WILL EITHER PARTY OR ITS RESPECTIVE LICENSORS, OR SUPPLIERS OR SELLER'S ASSIGNEE, HAVE ANY LIABILITY FOR ANY INCIDENTAL, SPECIAL, STATUTORY, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOST SAVINGS, OR LOST REVENUES OF ANY KIND; LOST, CORRUPTED, MISDIRECTED, OR MISAPPROPRIATED DATA; CHARGES FOR COMMON CARRIER TELECOMMUNICATIONS SERVICES; CHARGES FOR FACILITIES ACCESSED THROUGH OR CONNECTED TO THE PRODUCTS THAT THE TELECOM SERVICES ARE PERFORMED ON ("TOLL FRAUD"); NETWORK DOWNTIME; INTERRUPTION OF BUSINESS ARISING OUT OF OR IN CONNECTION WITH PERFORMANCE OR NON-PERFORMANCE OF THE PRODUCTS THAT THE TELECOM SERVICES ARE PERFORMED ON OR USE BY CUSTOMER; OR COST OF COVER).

EACH PARTY'S TOTAL, CUMULATIVE LIABILITY FOR ANY AND ALL CLAIMS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT AND A GIVEN SOW WILL NOT EXCEED THE TOTAL AMOUNT OF THE SUM OF THE FEES PAID AND PAYABLE UNDER THE APPLICABLE SOW IN THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO THE CLAIM. THE LIMITATIONS OF LIABILITY IN THIS SECTION WILL APPLY TO ANY DAMAGES, HOWEVER CAUSED, ON ANY THEORY OF LIABILITY (WHETHER IN CONTRACT, TORT, OR OTHERWISE), AND REGARDLESS OF WHETHER (1) EITHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; OR (2) THE LIMITED REMEDIES AVAILABLE TO THE PARTIES FAIL OF THEIR ESSENTIAL PURPOSE. THE LIMITATIONS OF LIABILITY PROVISIONS IN THIS SECTION ALSO WILL APPLY TO ANY LIABILITY OF OWNERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SUPPLIERS, AND AFFILIATES. THE LIMITATIONS OF LIABILITY PROVISIONS IN THIS SECTION, HOWEVER, WILL NOT APPLY IN CASES OF INTENTIONAL (WILLFUL) MISCONDUCT OR GROSS NEGLIGENCE, PERSONAL INJURY OR DEATH, OR DAMAGES TO PROPERTY.

11. DISPUTE RESOLUTION If a dispute arises that cannot be resolved by the personnel directly involved, the dispute shall be referred jointly to the responsible area senior management for Seller and Customer. The senior management shall exercise good faith efforts to settle the dispute within thirty (30) days (or an extended period, if they so agree). In the event that the dispute is not resolved within such a period, the Parties reserve the right to seek other relief as the Party deems appropriate.

12. NON-SOLICITATION OF EMPLOYMENT.

12.1. Seller agrees that it will not solicit for employment, or employ directly or indirectly, Customer's personnel during the term of this Agreement or for a period of twelve (12) months thereafter; provided, however, that Seller may hire Customer's personnel if Customer's personnel initiate contact with Seller (e.g., a response to Seller's general recruiting initiatives). If Seller violates this provision, Seller will pay to Customer an amount equal to the amount of the total potential compensation for the first twelve (12) months for the Customer employee that has been hired. Seller shall pay such amount to Customer on the date that is thirty (30) days after the person accepts Seller's offer of employment.

12.2. Customer agrees that it will not solicit for employment, or employ directly or indirectly, Seller's personnel during the term of this Agreement or for a period of twelve (12) months thereafter; provided, however, that Customer may hire Seller's personnel if Seller's personnel initiate contact with Customer (e.g., a response to Customer's general recruiting initiatives). If Customer violates this provision, Customer will pay to Seller an amount equal to the amount of total potential compensation for the first twelve (12) months for the Seller employee that has been hired. Customer shall pay such amount to Seller on the date that is thirty (30) days after the person accepts Customer's offer of employment.

13. NETWORK QUALITY ASSURANCE REVIEW

13.1. Network Quality Assurance Assessment. Seller intends to implement the VoIP solution set forth in the applicable SOW on a network that meets such VoIP solution's minimum requirements for quality voice ("Minimum Network Requirements"). Customer represents and warrants that Customer's network meets the Minimum Network Requirements. Seller can assist Customer in determining whether its current networking architecture and design meet the Minimum Network Requirements through a review of Customer's existing network topology and hardware infrastructure ("Network Quality Assurance Assessment"). If Customer elects to forego the Network Quality Assurance Assessment, Customer hereby expressly agrees that: (1) if Seller discovers that Customer's network does not meet the Minimum Network Requirements, Seller will delay the integration of such VoIP solution until Customer resolves the network-related issues, under which Seller will offer support to resolve the issues through T&M (time and materials) billing; (2) if performance problems are encountered during the implementation and are determined to be associated with network performance, network reliability or any network security issues, Customer is solely responsible for all costs associated with any subsequent network assessments and reconfigurations needed; and (3) if the VoIP solution provider determines that maintenance issues exist because Customer's network does not meet the Minimum Network Requirements, such provider will suspend the maintenance resolution process until Customer either resolves the network-related issues or accepts T&M billing for such provider to continue the maintenance resolution process.

13.2. Waiver. If Customer elects to forego the Network Quality Assurance Assessment, Customer assumes any implementation and/or maintenance risks associated with such VoIP solution and waives any and all claims arising out of or in connection with such VoIP solution.

14. EVENTS OF DEFAULT.

- 14.1. Events of default ("Events of Default") under this Agreement shall include, but not be limited to, the following:
- 14.1.1. Customer fails to pay any Total Monthly User Fee or any other amount payable to Seller under this Agreement within ten (10) days after its due date; or
 - 14.1.2. Customer fails to perform or observe any other representation, warranty, covenant, condition or agreement to be performed or observed by Customer under this Agreement, and Customer fails to cure any such breach within thirty (30) days after notice thereof; or
 - 14.1.3. any representation or warranty made by Customer under this Agreement, or in any other instrument provided to Seller by Customer proves to be incorrect in any material respect when made; or
 - 14.1.4. Customer makes an assignment for the benefit of creditors, whether voluntary or involuntary; or
 - 14.1.5. a proceeding under any bankruptcy, reorganization, arrangement of debts, insolvency or receivership law is filed by or against Customer or Customer takes any action to authorize any of the foregoing matters; or
 - 14.1.6. Customer becomes insolvent or fails generally to pay its debts as they become due, or Customer seeks to effectuate a bulk of sale of Customer's inventory or assets; or
 - 14.1.7. Customer voluntarily or involuntarily dissolves or is dissolved.

14.2. If an Event of Default occurs, Seller or its assignee may, in its sole discretion, exercise one or more of the following remedies:

- 14.2.1. terminate this Agreement;
- 14.2.2. declare the Termination Amount (as calculated by Seller or its assignee as of the date of the Event of Default) due and payable as liquidated damages for loss of a bargain and not as a penalty and in lieu of any further Total Monthly User Fees under this Agreement;
- 14.2.3. proceed by court action to enforce performance by Customer of obligations under this Agreement and/or to recover all damages and expenses incurred by Seller or its assignee by reason of any Event of Default;
- 14.2.4. terminate any other agreement that Seller or its assignee may have with Customer; or
- 14.2.5. exercise any other right or remedy available to Seller and its assignee at law or in equity.

These remedies are cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time. Customer will reimburse Seller and/or its assignee for all costs of collection, including but not limited to reasonable attorneys fees, incurred by Seller and/or its assignee in any action to enforce its rights under this Agreement.

15. RENEWAL OF SOW TERMS.

Customer must give Seller or its assignee prior written notice of at least ninety (90) days before the end of the Initial Term of the applicable SOW that Customer will either renew such SOW or discontinue the applicable Services. If Customer does not give Seller or its assignee such written notice, such SOW will automatically renew for an additional twelve (12) months and thereafter for successive one month terms (each a "Renewal Term") unless and until Customer gives Seller or its assignee 30 days' notice of its intent to terminate the applicable SOW. Each month during such Renewal Term(s) the Total Monthly User Fee will remain the same. Seller or its assignee may cancel an automatic Renewal Term by sending Customer ten (10) days' prior written notice.

16. SERVICES AND TIMING.

Seller will use commercially reasonable efforts to provide the Services in accordance with the Service Level Objectives set forth in the applicable SOW. Seller's sole liability and Customer's exclusive remedy for any failure of the Services to conform to the Service Level Objectives is the Performance Credits set forth in the applicable SOW.

Services not specifically itemized in a SOW are not required to be provided. CUSTOMER IS SOLELY RESPONSIBLE FOR SYSTEM BACK-UP PRIOR TO COMMENCEMENT OF SERVICES.

17. MISCELLANEOUS.

- 17.1. **Merger** - This Agreement and the applicable SOWs constitute the entire agreement between Seller and Customer with respect to the subject matter described herein, superseding all prior and contemporaneous correspondence and understandings between the Parties, whether written or verbal. No provision of this Agreement or any SOW shall be deemed waived, amended, or modified by either Party unless such waiver, amendment, or modification is in a writing that is signed by the Party against whom enforcement is sought. This Agreement shall be governed by the laws of Minnesota.
- 17.2. **Assignment** - This Agreement shall not be assignable by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld; provided, however, that either Party may assign this Agreement, without the prior written consent of the other Party, to an affiliate or in connection with a merger, corporate reorganization, change of control or similar transaction, or a sale of all or substantially all of its assets. Both the assignor and the assignee are jointly and severally liable under this Agreement for any outstanding obligations of the assignor that are due as of the date of the assignment.
- 17.3. **Notices** - All notices issued under the terms and provisions of this Agreement shall be in writing and shall be delivered in person, sent by facsimile, sent by overnight courier, or sent by certified U.S. Mail, postage prepaid, to the address of the other Party as set forth in this Agreement or to such other address as a Party shall designate by like notice. In addition, copies of all notices to Seller shall be delivered to Mark L. Geier, General Counsel, ConvergeOne LLC, 3344 Highway 149, Eagan, MN 55121.
- 17.4. **Acknowledgment and Authority** - By execution hereof, the signer hereby certifies that he/she has read this Agreement and these terms and each SOW, understands them, and agrees to all terms and provisions stated herein. In addition, Seller and Customer represent and warrant to each other that each respective Party has the full right, power, and authority to execute this Agreement.
- 17.5. **Publicity** - Neither Party shall use the name(s), trademark(s), or trade name(s), whether registered or not, of the other Party in publicity releases or advertising or in any other manner without the prior written consent of such other Party. Each Party agrees that it will not, without the prior written consent of the other Party, make any public statement regarding this Agreement, any of its provisions, or the fact that this Agreement exists.
- 17.6. **Independent Contractors** - The Parties acknowledge that Customer is a Party independent from Seller and that nothing in this Agreement will be construed or deemed to create a relationship of employer and employee, principal and agent, or any relationship other than that of independent entities contracting with each other solely for the purpose of carrying out the terms and provisions of this Agreement.
- 17.7. **Waiver** - If either Party fails to enforce any right or remedy available under this Agreement, that failure shall not be construed as a waiver of any right or remedy with respect to any other breach or failure by the other Party.
- 17.8. **Force Majeure** - Seller shall not be liable for any loss, failure, or delay in furnishing Services resulting from any of the following: fires; explosions; floods; storms; acts of God; governmental acts, orders, or regulations; hostilities; civil disturbances; strikes; labor difficulties; machinery breakdowns; transportation contingencies; difficulty in obtaining parts, supplies, or shipping facilities; breach, delay, act, or omission of any supplier, carrier, contractor, subcontractor, or business partner; failure, outage, or unavailability of third party network(s) or system(s); fiber, cable, or wire cut; power outage or reduction; or any other cause beyond the control of Seller.
- 17.9. **Software License** - The Parties acknowledge that Seller will license software from third parties to provide monitoring or administration of the Telecom Services, and that such licenses may require Customer, when accessing the software to use the Telecom Services, to agree to an End User Licensing Agreement governing the access and use of the software.
- 17.10. **Credit Information** - CUSTOMER AUTHORIZES SELLER OR ITS ASSIGNEE TO OBTAIN CREDIT BUREAU REPORTS, AND MAKE OTHER CREDIT INQUIRIES THAT SELLER OR ITS ASSIGNEE DETERMINE ARE NECESSARY. Customer agrees to provide copies of its balance sheet, income statement and other financial reports as Seller or its assignee may reasonably request.

- 17.11. Severability – In the event that any term or provision of this Agreement is held to be illegal, unenforceable, or invalid, the remaining terms and provisions hereof shall remain in full force and effect.
- 17.12. Survival of Terms – Notwithstanding any termination or expiration of this Agreement, all rights and remedies available to the Parties and all terms and provisions of this Agreement that are not performed or cannot be performed during the term of this Agreement shall survive the termination or expiration of this Agreement.
- 17.13. Governing Law – The laws of the state of Minnesota (including, but not limited to, the Uniform Commercial Code as adopted) apply to all Services and/or Datacenter Infrastructure provided under the terms and provisions of this Agreement, without reference to such jurisdiction's conflicts of law principles.
- 17.14. Exclusive Venue - To the extent the parties are permitted under this Agreement to initiate litigation in a court, the Parties agree that all claims and disputes arising out of or relating to this Agreement will be litigated exclusively in the state courts in Dakota County, Minnesota or federal courts located in the District of Minnesota.

SIGNATURE PAGE IMMEDIATELY FOLLOWS

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and do each hereby warrant and represent that their respective signatory whose signature appears below has been and is on the date of this Agreement duly authorized by all necessary and appropriate corporate action to execute this Agreement.

By signing below, Customer acknowledges that it has received, read, and understood Exhibit 1 of this Agreement concerning 911 services.

SELLER: ConvergeOne, Inc.

CUSTOMER: _____

BY: _____

BY: _____

SIGNATURE: _____

SIGNATURE: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

EXHIBIT 1

911 ACKNOWLEDGMENT

This Exhibit applies where the Telecom Services available to Customer include access to emergency services and/or 911 providers (the "Emergency Services").

1. Emergency Services permit most users of the Telecom Services to access either basic 911 or Enhanced 911 ("E911") service. A user's access may differ depending on the user's location or the device the user is using, and emergency calling services work differently than a user may have experienced using traditional wireline or wireless telephones.
 - 1.1 Users using [IP Desk Phones or 911-Enabled Softphones] [Substitute appropriate terms for ConvergeOne service] can dial 911 directly-. EMERGENCY CALLS CANNOT BE PLACED THROUGH SOFTPHONES THAT ARE NOT 911-ENABLED.
 - 1.2 [If applicable] Calls to 911 placed through Seller's mobile application (the "Mobile Application") on a smartphone are automatically routed to the native dialer on the smartphone, and the call will be handled by Customer's wireless service provider if wireless service is available. If Customer's wireless service is unavailable, the 911 call cannot be placed. Mobile Application cannot place emergency calls over Wi-Fi access. Emergency dialing is not available through the Mobile Application on tablets or other mobile devices without a native phone dialer and a wireless service plan.
 - 1.3 [If applicable] In some areas, emergency operators are able to receive text messages sent to 911. In areas where it is available, the Telecom Service allows Emergency SMS messages, also known as Text-to-911, only through the Mobile Application. Texts to 911 by Telecom Service users relying on the Mobile Application are automatically directed to the native dialer on the mobile phone, allowing the user to send the text through the user's wireless service provider, if available. If wireless service is unavailable, the text cannot be sent. Text-to-911 is not available on tablets or other mobile devices without a native phone dialer and a wireless service subscription. [Note language in Section 4.1 and delete if this section is not included.]
2. The Emergency Services differ from the 911 services offered by a traditional telephone company or wireless company. Customer acknowledges and certifies that it understands that Seller does not support traditional 911 and that the Emergency Services offered under this Agreement are subject to limitations as described below.
 - 2.1. Access to 911 or E911 may differ depending on the user's location or the device the user is using. It is strongly recommended that users have an alternative means for placing emergency calls available at all times.
 - 2.2. Prior to initiating Telecom Services, Customer must provide a Registered Address for each device using the Telecom Services, in accordance with Seller's procedures. The Registered Address is the physical address of the device, and is necessary to provide accurate address information in connection with the Emergency Services. Customer agrees to provide update the Registered Address immediately after a device is moved, and acknowledges that the Registered Address may not be revised for several hours after an update is provided. If the Registered Address is not updated as required, incorrect address information may be provided to the 911 provider responding to a 911 call or 911 calls may be routed to the wrong 911 provider or not connected. In some instances, the Registered Address may not be received by the 911 provider, and consequently users should be prepared to provide the location from which the call originates. If the 911 provider does not have the user's phone number and location, the operator may not be able to call the user back or dispatch help to the user's location if the call is dropped or disconnected. If Customer has more than one line or extension, Customer is solely responsible for ensuring that an accurate and up-to-date Registered Address is maintained for each such line or extension and that Customer's users are aware of how the Registered Address can be changed.
 - 2.3 If the Telecom Services are being used on a device that is mobile [but not via the Mobile Application] [delete this phrase if there is no mobile application], including without limitation a tablet[, smartphone] [include if there is no mobile application] or laptop computer, the user is responsible for updating the Registered Address in accordance with Section 2.2 of this Exhibit.

- 2.4. [If applicable] In the case of Emergency Services provided through the Mobile Application, the Mobile Application is dependent on location and calling number information generated by the user's smartphone. If wireless service is unavailable, calls to 911 will not be completed, and in some circumstances the user's smartphone or wireless network may not pass location or calling number information to the 911 provider.
 - 2.5. In some cases, 911 calls dialed via the Telecom Services cannot be directed to the local 911 provider, and are instead directed to a National Emergency Call Center (the "NECC"). This may occur if there is the Registered Address cannot be validated, if the Registered Address is an international location, or if the Registered Address is in an area that is not covered by the landline 911 network. 911 calls that are directed to the NECC may not transmit the originating telephone number or Registered Address. Trained operators at the NECC will request the caller's name, location, and telephone number and attempt to reach emergency responders in the caller's local area.
 - 2.6. Some features of the Emergency Services, including provision of Registered Addresses and the ability to return a call from a user who has dialed 911, may not be supported by individual 911 providers, or may not function in certain circumstances.
 - 2.7. Emergency Services will not work if there is a power outage, if Internet service is interrupted, if the Telecom Services are unavailable, or if there is a disruption to 911 service in the area where the call to 911 is made.
 - 2.8. Emergency Services will not work if the Telecom Services have been disconnected.
3. Customer agrees to notify any employees, contractors, guests, or persons who may place calls using the Telecom Services or may be present at the physical location where the Telecom Services may be used, of the limitations of the Emergency Services. Customer agrees to affix a Seller-provided sticker warning that 911 services may be limited or unavailable in a readily visible place on each piece of equipment that might be used to access or use the Telecom Services.
4. Liability and Releases
 - 4.1. The availability of certain features, such as transmission of a Registered Address or Customer telephone number, depends on whether local emergency response centers support those features, and are factors outside of Seller's control. Seller relies on third parties to assist in routing 911 calls [and text messages] [delete if not applicable] to local emergency response centers and to the NECC. Seller does not have control over local emergency response centers, the NECC, emergency responders, or other third parties. Seller disclaims all responsibility for the conduct of local emergency response centers, the NECC and all other third parties involved in the provision of emergency response services. Accordingly, to the extent permitted by applicable law, Customer hereby releases, discharges, and holds harmless Seller from and against any and all liability relating to or arising from any acts or omissions of such third parties or other third parties involved in the handling of or response to any emergency or 911 call.
 - 4.2. To the extent permitted by applicable Law, Customer releases, and will obtain from the users of the Telecom Services waivers releasing, Seller from any and all claims or liability that may arise related to Emergency Services. Customer bears sole responsibility for providing any emergency services to its users and for any costs associated with providing these services and payment of any governmental fees or assessments related to 911, E911 or alternative 911 services. Customer agrees to indemnify and hold harmless Seller, and any third-party provider(s), from any and all claims, damages (direct and indirect), suits, costs, charges, or fees (including attorney's fees and court cost) arising out of: (i) Customer provision to Seller of incorrect information, including physical addresses, or Customer failure to update any Registered Address; (ii) Customer failure to properly notify any person who may place calls using the Telecom Services of the 911 limitations; or (iii) the absence, failure, or outage of the Emergency Services for any reason; and (iv) the inability of any user of the Telecom Services to be able to dial 911 or access emergency service personnel for any reason.

EXHIBIT 2

Acceptable Use Policy

1. High Risk Use

CUSTOMER ACKNOWLEDGES THAT THE SERVICES ARE NOT DESIGNED, MANUFACTURED, INTENDED, OR RECOMMENDED FOR USE FOR ANY HIGH-RISK OR FAIL-SAFE PURPOSE OR ACTIVITY OR IN ANY ENVIRONMENT WHERE FAILURE, INTERRUPTION, MALFUNCTION, ERROR, OR UNAVAILABILITY COULD RESULT IN SUBSTANTIAL LIABILITY OR DAMAGES, PHYSICAL HARM OR PERSONAL INJURY, DEATH OR DISMEMBERMENT, OR PROPERTY OR ENVIRONMENTAL DAMAGE. CUSTOMER REPRESENTS AND WARRANTS THAT CUSTOMER AND ANY USERS OF THE SERVICES WILL NOT USE THE SERVICES FOR ANY SUCH PURPOSE OR ACTIVITY OR IN ANY SUCH ENVIRONMENT.

2. Customer Legal Compliance

Customer represents and warrants that all use and usage of the Services will at all times comply with all applicable law, including but not limited to the rules, policies and regulation of the Federal Communications Commission ("FCC"), and all laws relating to Do-Not-Call provisions; unsolicited marketing; telemarketing; faxing; telemarketing; email marketing; spamming or phishing; data security or privacy; international communications; account or debt collection; recording of calls or conversations; export control; export of technical or personal data; end user, end-use, and destination restrictions imposed by the United States or foreign governments; consumer protection; pornography; trade practices; false advertising; unfair competition; anti-discrimination; harassment; defamation; intellectual property; or securities.

3. Unsolicited Advertisements and TCPA Compliance

- 3.1. Certain communication practices – including without limitation, the placing of unsolicited calls; the placing of commercial messages; the sending of unsolicited facsimile, internet facsimile, SMS, or other messages; and the use of certain automated telephone equipment to place certain calls – are regulated in the United States by the Federal Telephone Consumer Protection Act of 1991 (also known as the "TCPA") (available at <http://www.fcc.gov/document/telephone-consumer-protection-act-1991>), the Junk Fax Prevention Act of 2005, and similar state, municipal or local laws, regulations, codes, ordinances and rules.
- 3.2. Customer agrees, represents, and warrants that:
 - 3.1.1. Customer is the creator of the content of, and are solely responsible for determining the destination(s) and recipient(s) of, all outbound communications made using the Services ("Customer Communication");
 - 3.1.2. All content, communications, files, information, data, and other content provided for transmission through the Services will be provided solely for lawful purposes, and in no event shall any Customer Communication or any content thereof be in violation of the TCPA, Junk Fax Prevention Act, the rules governing the Do Not Call Registry, and the Canadian Unsolicited Telecommunications Rules or any other law; and
 - 3.1.3. No unsolicited advertisements, commercial messages, solicitations, marketing or promotional materials, or commercial messages or content will be transmitted or distributed in the form of facsimiles or internet facsimiles through the Services.
- 3.3. At Seller's sole option and without further notice, Seller may use technologies and procedures, including without limitation, filters, that may block or terminate such unsolicited advertisements without delivering them.
- 3.4. Customer agrees to indemnify and hold harmless Seller, and any third-party provider(s) from any and all third party claims, losses, damages, fines, or penalties arising: (i) out of violation or alleged violation of the TCPA, the Junk Fax Prevention Act, the rules governing the Do Not Call Registry, and the Canadian Unsolicited Telecommunications Rules or any similar regulation or legislation by Customer or its users; or (ii) otherwise related to any voicemail, text, and/or fax spam, solicitations, or commercial messages that Customer or its users may send and/or receive using the Services.

4. Export Restrictions

Customer acknowledges and agree that the software and/or hardware used in conjunction with the Services may be subject to Canada, United States and other foreign laws and regulations governing the export, re-export, and/or transfer of software by physical or electronic means. Customer agrees, represents, covenants, and warrants that: (i) neither Customer nor any user (nor any entity or person that controls Customer or any user): (a) is located in an Embargoed Area or listed on any Export Control List or (b) will export or re-export any Seller software or hardware into any Embargoed Area or to any person, entity, or organization on any Export Control List, or to any person, entity, or organization subject to economic sanctions due to ownership or control by any such person, entity, or organization, without prior authorization by license, license exception, or license exemption; and (ii) the Services and Seller software and/or hardware will not be used or accessed from any Embargoed Area.

5. Recording Conversations or Calls

- 5.1. Certain features of the Services may allow Customer or users of the Services to record calls or other communications. The notification and consent requirements relating to the recording of calls, and/or other communications may vary from state to state, and country to country. Customer should consult with an attorney prior to recording any call as some states or countries may require callers or users to obtain the prior consent of all parties to a recorded call, or other communication before the caller or user may record the call, or other communication. Customer represents, covenants, and warrants that it will review all applicable law before using or allowing use of the Services to record any calls or other communications and will at all times comply with all applicable law. Customer agrees to inform all users of the Services that they are obligated to comply with all laws relating to their use of the call recording feature. Violations of the call recording laws may be subject to criminal or civil penalties.
- 5.2. Seller expressly disclaims all liability with respect to recording of telephone conversations by Customer or users. Customer agrees to indemnify and hold harmless Seller, and any third-party provider(s) from any and all third party claims, losses, damages, fines, or penalties arising out of violation or alleged violation of any call recording laws by Customer or any user. Seller expressly disclaims all liability and all warranties with respect to recording of conversations and/or calls.

6. Prohibited Use of the Services.

Neither Customer nor any user of the Services may use or allow use of the Services in any of the following ways:

- 6.1. In any manner or for any purpose that is fraudulent, malicious, deceptive, dishonest, abusive, obscene, threatening, harassing, tortious, improper, defamatory, libelous, slanderous, or in violation of any law;
- 6.2. To intentionally send or transmit unsolicited or "junk" or "spam" advertisements, communications, or messages (commercial or otherwise) without consent, including without limitation through email, voicemail, SMS, facsimile, or internet facsimile;
- 6.3. To harvest or otherwise collect information about others, including without limitation email addresses or personally-identifiable information, without their consent;
- 6.4. To intentionally engage in blasting or broadcasting bulk communications, advertisements, or messages (e.g., sending hundreds of messages simultaneously), including without limitation through email, voicemail, SMS, facsimile, or internet facsimile;
- 6.5. To perform auto-dialing or "predictive" dialing (i.e., non-manual dialing or using a software program or other means to continuously dial or place out-bound calls) in violation of applicable law;
- 6.6. To provide multi-party conference calls or multiparty chat lines, for extensive call forwarding or to use call forwarding or conferencing features to act as a bridge to chat lines or other conferencing facilities or services;
- 6.7. To provide monitoring or transcription services;
- 6.8. To transmit any communication that would violate Customer's obligations under Section 3 of this Exhibit 2;

- 6.9. To intentionally transmit or store any material that contains viruses, time bombs, Trojan horses, worms, malware, spyware, or any other programs or materials that may be harmful or dangerous;
- 6.10. To transmit misleading or inaccurate caller ID information with the intent to defraud, cause harm, or wrongfully obtain anything of value, including by creating a false Caller ID identity or forged email/SMS address or header or by otherwise attempting to mislead others as to the identity of the sender or the origin of any outbound Customer Communication;
- 6.11. To infringe, misappropriate, or otherwise violate the foreign or domestic intellectual property rights or proprietary rights of any party, including without limitation by transmitting or storing any material that might infringe, misappropriate, or otherwise violate any such right;
- 6.12. To violate the right of privacy, personality, or publicity of any party, including without limitation by transmitting or storing any material that might violate any such right;
- 6.13. To violate any law regarding the transmission of technical data or information or software through the Services;
- 6.14. In any manner that interferes with Seller's ability to provide high quality products or services to other customers; or
- 6.15. To store personal health information ("PHI"), as that term is used in the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"); or if Customer qualifies as a "covered entity," "business associate," or "subcontractor" under HIPAA (or similar terms under similar legislation in other jurisdictions) or is otherwise subject to HIPAA, to transmit, receive, or store PHI.

A breach of obligations in this Section constitutes a material breach of this Agreement, as applicable, such that Seller may suspend service, terminate the Agreement immediately, or take any other action Seller deems necessary to enforce the terms of this Section;

7. Prohibited Acts.

Customer represents, warrants, covenants, and agrees that neither Customer nor any user shall do any of the following during the Term:

- 7.1. Transmit, upload, distribute in any way, or store any corrupted file or material that contains viruses, time bombs, Trojan horses, worms, malware, spyware, or any other programs or materials that may be harmful or dangerous or may damage the operation of the Services or another party's computers, devices, equipment, systems, or networks;
- 7.2. Take advantage of, bypass, exploit, or otherwise avoid Customer's obligations or the provisions, restrictions, and prohibitions set forth in this Exhibit 2 (or attempt to do so);
- 7.3. Interfere with or disrupt networks or systems connected to the Services;
- 7.4. Sell, resell, distribute, lease, export, import, or otherwise grant or purport to grant rights to third parties with respect to the Services, and any software or hardware used in conjunction with the Services or any part thereof without Seller's prior written consent;
- 7.5. Display or use of any trademark, trade name, service mark or logo (together or individually, a "Mark") of Seller in any manner in violation of Seller's then-current policies on its trademark and logo usage or without Seller's express, prior written permission, to be granted or denied in Seller's sole discretion;
- 7.6. Display or use of any third party Mark without the prior, written consent of the third party that owns the third party Mark;
- 7.7. Undertake, direct, attempt, cause, permit, or authorize the modification, creation of derivative works, translation, reverse engineering, decompiling, disassembling, or hacking of the Services or any software and hardware used in conjunction with the Services, or part thereof;
- 7.8. Defeat, disable, or circumvent any protection mechanism related to the Services;

- 7.9. Intercept, capture, sniff, monitor, modify, emulate, decrypt, or redirect any communication or data used by Seller for any purpose, including without limitation by causing the any product to connect to any computer server or other device not authorized by Seller or in any manner not authorized in advance in writing by Seller;
- 7.10. Allow any service provider or other third party – with the sole exception of Seller's authorized maintenance providers acting with Seller's express, prior authorization – to use or execute any software commands that facilitate the maintenance or repair of any software or hardware used in conjunction with the Services;
- 7.11. Gain access to or use (or attempt to gain access or use) any device, system, network, account, or plan in any unauthorized manner (including without limitation through password mining);
- 7.12. Engage in or to allow trunking or forwarding of Customer's telephone or facsimile number to (an)other number(s) capable of handling multiple simultaneous calls, or to a private branch exchange (PBX) or a key system; or
- 7.13. Violate or take any action to jeopardize, limit, or interfere with Seller's intellectual property rights, including without limitation their IP Rights in the software and hardware used in conjunction with the Services.

Breach of obligations in this Section constitutes a material breach of the Agreement, as applicable, such that Seller may suspend service, terminate the Agreement immediately, or take any other action Seller deems necessary to enforce the terms of this Section.



Appendix 3
C1 Evidence of Coverage



CERTIFICATE OF LIABILITY INSURANCE

12/1/2017 DATE (MM/DD/YYYY)
9/29/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Lockton Companies 444 W. 47th Street, Suite 900 Kansas City MO 64112-1906 (816) 960-9000	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS:	FAX (A/C, No):
	INSURER(S) AFFORDING COVERAGE	
INSURED 1373931 CONVERGEONE HOLDINGS CORP. 3344 DODD ROAD EAGAN MN 55121	INSURER A: Berkley National Insurance Company NAIC # 38911	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES 1084700 CERTIFICATE NUMBER: 12714267 REVISION NUMBER: XXXXXXXX

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:	N	N	TCP7010205-10	12/1/2016	12/1/2017	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	N	N	TCP7010205-10	12/1/2016	12/1/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$	N	N	TCP7010205-10	12/1/2016	12/1/2017	EACH OCCURRENCE \$ 25,000,000 AGGREGATE \$ 25,000,000 \$ XXXXXXXX
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N <input checked="" type="checkbox"/> N/A	N	N/A	TWC 7005295	10/1/2017	10/1/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	PROFESSIONAL LIABILITY/TECHNOLOGY E & O	N	N	TEO701020610	12/1/2016	12/1/2017	\$10,000,000 EACH CLAIM \$10,000,000 AGGREGATE

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 INSTALLATION FLOATER - BERKLEY NATIONAL INSURANCE COMPANY, EFFECTIVE 12/1/2016 - 12/1/2017, POLICY # TCP7010205-10, \$5,000,000 LIMIT;

CERTIFICATE HOLDER

CANCELLATION See Attachment

12714267
FOR INFORMATIONAL PURPOSES ONLY

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

[Signature]

NAMED INSUREDS

C1 INVESTMENT CORP.

C1 ACQUISITION CORP.

C1 INTERMEDIATE CORP.

CONVERGEONE HOLDINGS CORP.

CONVERGEONE, INC

PROVIDEA CONFERENCING, LLC

ROLES PROPERTIES, LLC

ANNESE & ASSOCIATES, INC.

SPS HOLDCO, LLC

SPS-PROVIDEA LIMITED

STRATEGIC PRODUCTS AND SERVICES, LLC

RGT UTILITIES, INC.

RGTS, INC.



Appendix 4
C1 Disaster Recovery Table of Contents

ConvergeOne IT Disaster Recovery Plan

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Appendix 5
C1 Drug Policy



SUBSTANCE ABUSE POLICY

With Controlled Substance and Alcohol Testing Procedures

PURPOSE

ConvergeOne, Inc. [the Company] is a drug-free workplace. Controlled Substances and alcohol misuse are inconsistent with the Company's longstanding commitment to a safe and productive work environment. In addition, some of ConvergeOne's customers, in furtherance of their own policies, require ConvergeOne's employees to be screened for Controlled Substances before gaining access to their facilities or systems. ConvergeOne's policy is intended to comply with all applicable federal and state laws governing Controlled Substance testing and is designed to safeguard employee privacy rights. If this policy conflicts with applicable law, applicable law will govern and ConvergeOne will follow such applicable law.

WORK RULES

1. Except as provided below, whenever employees are working, using or operating Company or customer's equipment, present on Company Premises or customer sites, they are prohibited from:
 - (a) Using, possessing, buying, selling, manufacturing or dispensing Controlled Substances;
 - (b) Being Under the Influence of Alcohol or Under the Influence of Controlled Substances;
 - and
 - (c) Possessing or consuming alcohol.
2. Employees may consume alcohol in moderation at Company functions where alcohol is served and may possess unopened containers of alcohol in personal vehicles parked on Company Premises. Employees may also consume alcohol in moderation while entertaining clients and prospective clients provided such entertainment is part of their assigned job duties. These privileges will be withdrawn if abused or the employee has violated this Policy.
3. This Policy does not prohibit employees from the lawful use and possession of lawfully prescribed medications. Employees must, however, consult with their doctors about the medications' effect on their ability to work safely, and promptly disclose any restrictions to their supervisor. Employees need not disclose the underlying medical conditions. However, they may choose to disclose the underlying medical condition as part of the interactive process and a request for reasonable accommodation for a qualified disabled individual.
4. Employees expected to drive as part of their job duties, such as during business travel, are expected to maintain an operator's license and driving record free of alcohol-related or Controlled Substance-related offenses. The Company reserves the right to periodically check driving records for employees whose travel on Company business includes driving.



EMPLOYEE ASSISTANCE FOR SUBSTANCE ABUSE TREATMENT

The Company will assist and support employees who voluntarily seek help for alcohol or Controlled Substance problems. They are urged to seek help *before* becoming subject to corrective action under this or other Company policies. Employees remain responsible for any misconduct or performance problems that arise as a result of a substance abuse problem. The Company's group health plan includes an Employee Assistance Program ("EAP") with confidential counseling and referral to treatment providers and rehabilitation programs.

The contact information for the EAP is:

EmployeeConnect
888-628-4824
www.guidanceresources.com
Username: LFGsupport
Password: LFGsupport1

Employees in need of substance abuse rehabilitation will be allowed to use accrued paid time off and be placed on leaves of absence. In some instances, the Company may require an employee who has tested positive for a Controlled Substance in violation of this Policy to undergo rehabilitation. In such instances, no adverse personnel action will be taken against the employee required to undergo such rehabilitation, so long as the employee successfully completes the rehabilitation program as determined by the Company.

REQUIRED TESTING

The Company reserves the right to require Controlled Substance and/or alcohol tests from any candidate or employee as set forth below. A candidate's or employee's consent to undergo the testing procedures as outlined in this Policy is required as a condition of employment. A candidate's refusal to consent will fail to meet a condition of the job offer. An employee's refusal to consent may result in corrective action, up to and including termination.

1. ***Pre-employment:*** Upon accepting an offer of employment, all candidates for hire must agree to and pass a Controlled Substance test specified by the Company, before beginning work. Candidates required to pass the Controlled Substance screen will receive an offer of employment conditioned on passing the test.
2. ***Customer-required:*** Candidates for positions requiring a customer-directed Controlled Substance screen must agree to and pass the required Controlled Substance tests in order to be considered qualified. Candidates for positions that require the Controlled Substance screen will receive an offer of employment conditioned on passing the test. The test must be passed after accepting the Company's offer of employment and before beginning work on the customer's project or at its site. If required, employees in these positions must also agree to and pass periodic unscheduled testing within the required timeframe, in order to remain qualified for their position. Additionally, during employment an employee may be assigned to a customer who requires that the employee pass a Controlled Substance test. Paragraph 3 under the Consequences section below discusses consequences of an employee who Refuses to Cooperate with any such customer required testing.
3. ***Reasonable Suspicion:*** When the Company believes in good faith that there is a Reasonable Suspicion that an employee is Under the Influence of Alcohol or Under the Influence of

Controlled Substances while they are working on Company Premises, or using or operating Company equipment, as part of the investigation the employee may be required to pass tests for the presence of alcohol or Controlled Substances. The employee will be removed from the job, and must agree to, and pass the tests, in order to return to the job without corrective action up to and including termination.

4. **Post-Accident:** Employees are subject to testing when they cause or contribute to accidents which seriously damage Company equipment or property, or any on-duty accident resulting in an injury requiring emergency medical treatment.
5. **Follow-up:** Employees who have tested positive or violated this Policy, if they are permitted to remain employed by the Company (in the Company's sole discretion), are subject to follow-up testing at times and frequencies determined by the Company, for up to three years.

COLLECTION AND TESTING PROCEDURES

1. For pre-employment testing, the candidate will be expected to report for testing to a Company-designated clinic during a specified timeframe.
2. Employees subject to alcohol testing shall be sent or driven to a Company designated clinic and must agree to, and provide breath specimens for testing, among any other requirements, such as providing blood or urine for testing.
3. The candidate or employee will be requested to sign a consent form indicating his or her consent to submit to a Controlled Substance or alcohol test, and a release of medical information form indicating his or her permission to have the results released to the Company.
4. The employee also has the option of denying consent, and can do so by signing a refusal to submit to Controlled Substance or alcohol testing form. Please see the Consequences below for such denial of consent.
5. Employees requested to submit to testing based on Reasonable Suspicion, will be escorted to the testing facility, or have transportation to the testing facility arranged by the Company.
6. For all testing, specimens shall be collected by trained technicians at an approved clinic, using approved testing devices in compliance with applicable federal and state law, which are regularly calibrated and capable of producing printed results that identify the employee.
7. If the employee consents to testing, the employee will then be requested to submit to a medical examination, including a Controlled Substance or alcohol test. The testing will consist of a two-step procedure: an initial screening test and, if that test is positive for Controlled Substances or alcohol, a confirmation test using a different, more sensitive testing methodology. Only specimens that test positive under both methodologies will be reported as positive by the laboratory to the Company.
8. Candidates and employees will provide split specimens in private, or using acceptable alternative practices if they appear to be submitting altered, adulterated or substitute specimens.
9. Collected specimens shall be sent to a certified laboratory, in compliance with applicable federal and state law, and tested for evidence of marijuana, cocaine, opiate, amphetamine and methamphetamine, benzodiazepines, barbiturates, oxycodone, methadone, and buprenorphine drug use.
10. The clinic and laboratory will be required to use best practices and comply with applicable laws for chain of custody from the time specimens are collected through testing and storage.
11. The laboratory shall transmit positive Controlled Substance test results to a medical doctor, retained by the Company, who shall offer persons with positive results a reasonable opportunity to establish that their results are caused by lawfully prescribed medicines or lawful substances.



12. Persons with positive test results may also request to have their split specimen sent to another certified lab, to be tested at their own expense, pursuant to applicable law. Such requests must be made within five working days of notice of test results. If the second lab fails to find any evidence of Controlled Substance use in the split specimen, the employee or candidate will be treated as passing the test.

CONSEQUENCES

1. Candidates who Refuse to Cooperate in or fail to pass a Controlled Substance test will not be hired.
2. Even though the testing is voluntary, an employee's refusal to consent is grounds for corrective action, up to and including termination.
3. Employees who Refuse to Cooperate in customer required tests will not be considered qualified to work for the customer that requires testing. If the Company has a position or projects for which the employee is qualified that does not involve work for a customer that requires testing, the Company may offer the position or projects to the employee on a full or part time basis depending on the work available. If the Company does not offer a position or projects or the employee does not accept the position or projects, the employee will be terminated.
4. If the screening test, confirmation test, and independent test (when applicable) confirm the presence of Controlled Substances or alcohol, and exculpatory reasons do not exist that would cause a positive result, then subject to applicable law, the employee will be subject to corrective action, up to and including termination. Notwithstanding the foregoing, if this is the employee's first positive test result on a confirmation test, then the Company will provide the employee with the opportunity to participate in a counseling or rehabilitation program. If the employee refuses to participate in such program or fails to successfully complete the program, then the employee may be subject to corrective action, up to and including termination.
5. Employees who use, possess, buy, sell, manufacture or dispense Controlled Substances in violation of this Policy will be subject to corrective action up to and including termination.
6. Employees who test positive for alcohol will be subject to corrective action up to and including termination.
7. Under appropriate circumstances, determined in the sole discretion of the Company, the Company will consider a "last-chance" agreement with appropriate safeguards, allowing the employee to return to work.

CONFIDENTIALITY

Information and records relating to positive test results, Controlled Substance and alcohol dependencies and legitimate medical explanations provided to the medical doctor retained by the Company, shall be kept confidential and maintained in secure files separate from normal personnel files. Such records and information may be disclosed among managers and supervisors on a need-to-know basis and may be disclosed where relevant to a grievance, charge, claim or other legal proceeding initiated by or on behalf of an employee or candidate or as otherwise required by applicable law.

DEFINITIONS

Company Premises	includes, but is not limited to, all building, offices, facilities, grounds, parking lots, places and vehicles owned, leased or managed by the Company
Controlled Substances	means substances for which use or possession is controlled by federal law
Refuse to Cooperate	means to obstruct the collection process, to submit an altered, adulterated or substitute sample, or to fail to promptly provide specimen(s) for testing when directed
Under the Influence of Alcohol	means a confirmed positive test result for alcohol use, or actions, appearance, speech or bodily odors which reasonably cause a supervisor to conclude that an employee is impaired because of alcohol use
Under the Influence of Controlled Substances	means a confirmed positive test result for Controlled Substance use
Reasonable Suspicion	Reasonable Suspicion is established by observation of overt behavior or conduct of the employee sufficient to lead a prudent person to suspect that the employee is Under the Influence of Alcohol or Under the Influence of Controlled Substances. Wherever possible, the concurrence of a second supervisor will be obtained in determining whether Reasonable Suspicion exists to conclude that an employee is Under the Influence of Alcohol or Under the Influence of Controlled Substances.

In determining whether there is Reasonable Suspicion to conclude that an employee is Under the Influence of Alcohol or Under the Influence of Controlled Substances, managers and supervisors may rely on one or more of the following facts, circumstances, or observations:

- Physical characteristics of employee:
 - Smell of alcohol, or Controlled Substances on breath or on person;
 - Slurred speech;
 - Disorientation (does employee know where he or she is, and the day, date or time?);
 - Lack of motor coordination;
 - Pronounced mood swings (belligerent, moody, ecstatic, friendlier or more nervous or open than usual?);
 - Pale or flushed appearance;
 - Excessive perspiration;
 - Bloodshot eyes;
 - Pinpointed or dilated pupils;
 - Sunglasses worn at inappropriate times;
 - Weariness, fatigue, or exhaustion;
 - Deteriorating physical appearance;
 - Excessive yawning;
 - Blank stares or expressions;



- Changes in appearance after breaks or lunches;
- Withdrawing or avoiding peers; and
- Other unusual or suspicious physical characteristics.
- Other evidence:
 - Witnesses who observe the possession or ingestion of alcohol or Controlled Substances;
 - Confession of employee that he or she was drinking or using Controlled Substances;
 - Traces of alcohol, Controlled Substances or Controlled Substance paraphernalia;
 - Involvement in workplace accident;
 - Congregation of employees in remote areas of Company's facilities or in areas which employees usually do not frequent (i.e. closets, storage rooms or stairwells);
 - Complaints from co-workers;
 - Prolonged breaks or tardiness;
 - Excessive unauthorized, or unscheduled absenteeism, especially Mondays, Fridays, and days before or after holidays;
 - Unexplained departures from work or disappearances from the job area;
 - More than average number of job-related mistakes;
 - Decrease in work efficiency or productivity; and
 - Other evidence which may cause a manager or supervisor to suspect Controlled Substance or alcohol usage or impairment.

The above are merely examples of characteristics supervisors or managers may use to find Reasonable Suspicion. The presence or absence of one characteristic is not determinative of whether Reasonable Suspicion exists. In fact, the presence of one characteristic may be sufficient for finding Reasonable Suspicion.

GENERAL

This Policy is not a contract of employment and may be modified by the Company in its discretion. To the extent independent contractors, who are present on Company Premises, engage or appear to have engaged in conduct that would violate this Policy if done by an employee, such independent contractor will be barred from those premises.

Appendix 6
AudioCodes Managed IP Phones Solution



The AudioCodes **400HD series of IP phones** includes a range of easy-to-use, feature-rich products for the service provider hosted services, enterprise IP telephony and contact center markets. Based on the same advanced, field-proven underlying technology as our other VoIP products, AudioCodes high quality IP phones enable service providers, systems integrators and end-customers to build end-to-end VoIP solutions.



450HD IP Phone



445HD IP Phone



440HD IP Phone



430HD IP Phone



420HD IP Phone



405HD IP Phone

Powerful Set of Common Features

- High-definition voice quality
- Robust security mechanisms
- Multiple language support
- AudioCodes Auto-provisioning
- Power over Ethernet (PoE)
- Integration with voice quality monitoring
- Full SIP protocol support with extensive interoperability
- Out of the box global redirection sever support
- Full duplex speakerphone and headset connectivity

Unified Communications

AudioCodes provides diverse solutions tailored for the Unified Communications (UC) market. AudioCodes' offering for UC includes media gateways, E-SBCs, call recording solutions, mobility and IP phones which, in addition to high quality voice calls, also support presence features.

Enterprise IP Telephony

AudioCodes IP phones offer reliable, high quality communications for users of on-premises, open source and hosted IP-PBXs. Their wide range of essential business features, reliability and proven interoperability makes them the perfect choice for any SIP-based environment, from SOHO up to large enterprises.

IP Contact Centers

AudioCodes' IP phones provide the perfect solution for IP contact center agents. Combining excellent voice quality for contact center agents, with a compact and robust enclosure design and headset integration, AudioCodes' IP Phones offer several essential features required in the growing contact center market including fully certified VoIP interoperability with leading contact center solution providers.

450HD IP Phone



The 450HD IP Phone is an executive high end business IP phone with a large 5" touch main color display, integrated Bluetooth* and optional connectivity to color touch screen expansion modules.

- Large 5" Color TFT main screen (800 x 480) with multi lingual support
- Touch oriented user interface allowing up to 8 programmable keys and soft keys
- Expansion module (optional) with 5" Color TFT screen (480 X 854)
- Full duplex speakerphone and headset connectivity
- Integrated Bluetooth for wireless headset connectivity
- 8 lines
- 8 programmable speed dial keys with presence monitoring (BLF)
- GbE Support
- USB Headset support
- PoE or external power supply



B

*Hardware ready, software will be ready during 2018

445HD IP Phone**



The 445HD IP Phone is an advanced business high end IP phone with a large 4.3" main color display, integrated Bluetooth* and a dedicated LCD displaying contacts and their presence (integrated sidecar).

- Color 4.3" high resolution screen (480x272)
- Full duplex speakerphone and headset connectivity
- 6 lines
- 6 Multi-function keys
- 4 soft keys
- Dedicated LCD (370 X 60) for contacts display
- 12 programmable speed dial keys with presence monitoring (BLF)
- GbE support
- USB Headset support
- PoE or external power supply



B

* Pending Microsoft Sfb Certification

**Contact AudioCodes for the availability of 445HD

***Hardware ready, software will be ready during 2018

440HD & 430HD IP Phones



The 440HD/430HD IP Phones are Advanced Mid-Range Business IP phones. Built for ease-of-use and convenience, the 430HD boasts a large LCD and 12 programmable speed dial keys. The 440HD includes a dedicated LCD displaying contacts and their presence (integrated sidecar).

- Full duplex speakerphone and headset connectivity
- 6 lines
- Graphic multi-lingual LCD (256 X 128)
- 6 Multi-function keys
- 4 soft keys
- 12 programmable speed dial keys with presence monitoring (BLF)
- Dedicated LCD (370 X 60) for contacts display (440HD only)
- GbE support
- USB Headset support
- PoE or external power supply



420HD IP Phone



The 420HD IP Phone is an Entry level, feature-rich enterprise IP phone. Its flexibility and robust design make it extremely suitable for demanding enterprise and contact center deployments.

- Full duplex speakerphone and headset connectivity
- 2 lines
- Graphic multi-lingual LCD (128 X 48)
- 4 programmable soft keys
- Dual GbE Support
- PoE or external power supply



405HD & 405 IP Phones



The 405 IP Phone is a cost-effective, entry-level IP phone designed to offer the essential everyday features that the modern business environment demands.

- Full duplex speakerphone and headset connectivity
- 2 lines
- Graphical, backlit multi-lingual LCD (132 X 64)
- 4 programmable soft keys
- PoE or external power supply
- GbE Support (supported only on the 405HD)
- USB Headset Support (supported only on the 405HD)



*405HD is certified for Skype for Business

Technical Specifications for the 400HD Series

Telephony Features	
Supplementary Features	Call Waiting, Call Hold, Call Transfer, Call Forward, 3-Way Conference (local mix) and network conferencing, Hot Line, DND, Mute, Speed Dial, Dial Plan, CWRR, Call Logs, Auto Answer via TALK event, Call Pickup, Multiple boss-admin, Shared line appearance, Call Park ⁵
Signaling	Caller ID, MWI, DTMF Relay – RFC2833, DTMF via SIP INFO, Configurable Call Progress Tones
VoIP Applications	
Unified Communications, IP Contact Centers, Open-source IP-PBX, Hosted IP-PBX and IP Centrex	
Enhanced VoIP Processing Capabilities	
Packet loss concealment, High quality wideband, Wideband acoustic echo canceler, Low-delay adaptive jitter buffers	
Media Processing	
Wideband Voice Coders	G.722, OPUS ² , SILK ²
Narrowband Voice Coders	G.711µ/a, G.729A/B, OPUS ² , SILK ²
Additional Media Features	Acoustic echo cancellation (AEC)- multiple path, wideband acoustic EC, Packet Loss Concealment, Silence Suppression, Voice Activation Detection, Adaptive Jitter Buffer
Protocol Support	
VoIP and Signaling	SIP – RFC 3261, SDP – RFC 2327, SIP over TCP/UDP/TLS, DNS_SRV (Redundancy), Digest authentication, PRACK, Early Media, SIP Subscribe notify, BLF ¹ (busy lamp field), Presence, MWI (message waiting indication)
Data Protocols	IPv4, TCP, UDP, ICMP, ARP, RTP, SRTP, RTCP-XR, 802.1x, Static IP/DHCP IP Assignment, IEEE 802.1p/Q, QoS/ToS, HTTP/HTTPS/DHCP, NTP, FTP/TFTP, CDP/LLDP VLAN Configuration, LDAP
Security	802.1x, HTTPS, SIP over TLS and SRTP, Configuration file encryption, PC port disable option
Provisioning & Management	Web Server for Configuration and Management, Configuration update via FTP, TFTP, HTTP, HTTPS, DHCP Options (66,67,160,12,60,77), Mass Deployment Provisioning with Global redirection server, Provision URL via SIP SUBSCRIBE and NOTIFY, RFC6035 SIP Publish for QoE reporting
General Specifications	
Language Support	English (default), Spanish, Italian, Portuguese (with feature key), German, Russian, Ukrainian, French, Polish, Hebrew, Finnish, Korean, Simplified and Traditional Chinese, Turkish, Japanese (Kanji, Hiragana, and Katakana input modes), Hungarian, Slovak, Czech
Telephony Interface	RJ-9 Headset Jack X 1, USB port for headset ³ , DHSG ⁴
Network Interface	2 LAN RJ-45 10/100/1000 Base-T for PC and LAN connectivity
Power Requirements	+12V DC, 1A Power adapter (450HD: +12V DC, 2A) AC 100V-240V and/or Integrated Power over Ethernet- IEEE 802.3af (see price list for ordering options)
Storage/Operation Temperature	-20° to +70°C / 0° to +40°C (-4 to +158°F / 32 to +104°F)
Homologations & Approvals	FCC Part 15 Class B, ICES-003 Class B, EN55032 Class B, EN61000-3-2, EN61000-3-3, UL-60950-1, EN60950-1, IEC 60950-1 (CB), CE mark, cTUVus RCM, KC, Anatel, CCC, ICASA, EAC, IC, ACTA, VCCI, BSMI

The homologation list can change from model to model, please contact AudioCodes for up to date model specific information.

Physical Specifications

	450HD	445HD	440HD	430HD	420HD	405HD/405 ⁴
Unit Dimension (WxDxH)	234 x 190 x 170/195 mm ³ (9.21 x 7.48 x 6.69/7.67 in.)	250 x 168 x 163 mm (9.84 x 6.61 x 6.42 in.)	250 x 168 x 163 mm (9.84 x 6.61 x 6.42 in.)	250 x 168 x 163 mm (9.84 x 6.61 x 6.42 in.)	188 x 157 x 163 mm (7.40 x 6.18 x 6.41 in.)	191 x 180 x 153 mm (7.52 x 7.09 x 6.02 in.)
Unit Weight	1.284Kg (2.83 lb)	1.05Kg (2.31 lb)	1.05Kg (2.31 lb)	1.00Kg (2.20 lb)	0.82Kg (1.81 lb)	0.68Kg (1.5 lb)
Unit Box Dimension (WxDxH)	275 x 245 x 110 mm (10.82 x 9.64 x 4.33 in.)	316 x 255 x 95 mm (9.84 x 6.61 x 6.42 in.)	316 x 255 x 95 mm (9.84 x 6.61 x 6.42 in.)	316 x 255 x 95 mm (9.84 x 6.61 x 6.42 in.)	262 x 236 x 95 mm (7.40 x 6.18 x 6.41 in.)	210 x 200 x 100 mm (8.27 x 7.87 x 3.94 in.)
Unit Box Weight	1.722Kg (3.79 lb)	1.49Kg (3.28 lb)	1.49Kg (3.28 lb)	1.44Kg (3.17 lb)	1.2Kg (2.65 lb)	0.9Kg (1.98 lb)
Master Carton Dimension (WxDxH)	579 x 467 x 293 mm (22.79 x 18.38 x 11.53 in.)	530 x 495 x 340 mm (20.87 x 19.49 x 13.39 in.)	530 x 495 x 340 mm (20.87 x 19.49 x 13.39 in.)	530 x 495 x 340 mm (20.87 x 19.49 x 13.39 in.)	540 x 495 x 260 mm (7.40 x 6.18 x 6.41 in.)	495 x 395 x 237 mm (19.49 x 15.55 x 9.33 in.)
Master Carton Weight	16.07 Kg (35.42 lb)	16.07 Kg (35.42 lb)	15.8Kg (34.83 lb)	15.73Kg (33.73 lb)	13.1Kg (28.88 lb)	10.1kg (22.27 lb)

¹ Supported by 430HD, 440HD, 445HD and 450HD.

² OPUS and SILK are supported on 405HD, 420HD, 430HD, 440HD, 445HD and 450HD.

³ 450HD supports two desktop positions: Low position: 170mm | High position: 195mm.

⁴ GbE and USB are available on 405HD (not supported on 405).

⁵ Some of the features are supported by 430HD, 440HD, 445HD and 450HD only.



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Ref # LTRM-20096 11/17 V.4

Contact us: www.audiocodes.com/info
Website: www.audiocodes.com




Appendix 7


Jabra Compatibility Guide


Jabra Compatibility Guide

AudioCodes 405HD / 450HD

Jabra Engage 75 Stereo (Item no. 9559-583-125)	
	<p>Engineered for superior wireless connectivity, battery life and crystal-clear calls, Engage 75 is a premium headset for professionals who need first-class customer conversations and connection to multiple devices (connects to up to 5 devices simultaneously – desk phone, softphone and mobile/tablet). Meets Skype for Open Office requirements, and advanced noise cancelling and enhanced speakers give incredible call quality, even in noisy offices.</p>
Jabra Engage 75 Mono (Item no. 9556-583-125)	
	<p>Engineered for superior wireless connectivity, battery life and crystal-clear calls, Engage 75 is a premium headset for professionals who need first-class customer conversations and connection to multiple devices (connects to up to 5 devices simultaneously – desk phone, softphone and mobile/tablet). Meets Skype for Open Office requirements, and advanced noise cancelling and enhanced speakers give incredible call quality, even in noisy offices.</p>
Jabra Engage 75 Convertible (Item no. 9555-583-125)	
	<p>Engineered for superior wireless connectivity and crystal-clear calls, the Engage 75 convertible is for professionals who need first-class customer conversations in a lightweight headset with multiple wearing options. Weighing just 18g, the headset can be used with earhook, headband, or neckband for all-day comfort. Connects to up to 5 devices simultaneously – desk phone, softphone and mobile/tablet.</p>

Jabra Engage 65 Convertible (Item no. 9555-553-125)	
	<p>Engineered for superior wireless connectivity and crystal-clear calls, the Engage 65 convertible is for professionals who need first-class customer conversations in a lightweight headset with multiple wearing options. Weighing just 18g, the headset can be used with earhook, headband, or neckband for all-day comfort. Can connect to desk phone and softphone.</p>

Jabra Engage 65 Stereo (Item no. 9559-553-125)	
	<p>Engineered for superior wireless connectivity, battery life and crystal-clear calls, Engage 65 is a premium headset for professionals who need first-class customer conversations and connection to up to two devices (desk phone and softphone). Meets Skype for Open Office requirements, and advanced noise cancelling and enhanced speakers give incredible call quality, even in noisy offices.</p>

Jabra Engage 65 Mono (Item no. 9553-553-125)	
	<p>Engineered for superior wireless connectivity, battery life and crystal-clear calls, Engage 65 is a premium headset for professionals who need first-class customer conversations and connection to up to two devices (desk phone and softphone). Meets Skype for Open Office requirements, and advanced noise cancelling and enhanced speakers give incredible call quality, even in noisy offices.</p>

Jabra Pro 9470 Mono

(Item no. 9470-66-904-105)



The Jabra Pro 9400 series wireless headset is for knowledge workers who cannot afford to be out of touch. Roam up to 150 meters/450 feet away and still answer calls from your desk phone, mobile phone, or softphone application. Touch screen display makes configuration and call management easy. All with best-in-class noise cancellation, acoustic protection, and audio quality.

Jabra Pro 9465 Duo

(Item no. 9465-69-804-105)




The Jabra Pro™ 9465 Duo wireless headset lets users answer calls from their mobile phones, desk phones, or softphones up to 150 meters/450 feet away. Audio features like noise cancelling microphones that filter out ambient noise and Jabra SafeTone™ acoustic protection make the Jabra Pro™ 9400 Duo a versatile choice for the office professionals.


Jabra Pro 925 Dual Connectivity


(Item no. 925-15-508-205)



The Jabra Pro™ 925 Dual Connectivity headset is a professional wireless headset designed for maximum performance. Now everyone in your office can take advantage of for the added productivity and comfort that wireless convenience delivers. Simple, intuitive and high quality, all in one wireless solution. With the Bluetooth Class 1 technology you get up to 100 meters / 300 feet hands-free communication for your desk phone, mobile phone or tablet. Transfer calls from your desk phone to your mobile device and continue your call as you head out the door. Talk up to 12 hours with no battery life concerns. With NFC you can connect your devices with a simple touch.

Jabra Pro 925 (Item no. 925-15-508-185)	
	<p>The Jabra Pro™ 925 headset is a professional wireless headset designed for maximum performance. Now everyone in your office can take advantage of for the added productivity and comfort that wireless convenience delivers. Simple, intuitive and high quality, all in one wireless solution. With the 2G4 wireless technology you get up to 100 meters / 300 feet hands-free communication for your desk phone. Talk up to 12 hours with no battery life concerns. Optimized for high density office environments.</p>

Jabra Motion Office MS (Item no. 6670-904-305)	
	<p>A series of wireless headsets with full Unified Communications integration - the Jabra Motion UC wireless headsets series.</p>

Jabra Motion Office (Item no. 6670-904-105)	
	<p>A series of wireless headsets with full Unified Communications integration - the Jabra Motion UC wireless headsets series.</p>

Jabra Biz 2400 II QD Duo NC Wideband
(Item no. 2489-820-209)



The BIZ 2400 II offers outstanding sound at both ends of the call for a superior customer experience. Up to 40% lighter than competing headsets and with a low headband pressure, the Biz 2400 II allows the agent to focus on their customer conversation in unrivalled comfort. Jabra BIZ 2400 II QD Duo is a duo headset with QD (Quick Disconnect) plug that provides instant connectivity to a wide range of desk phone systems.

Jabra Biz 2400 II QD Mono NC 3-in-1 Wideband
(Item no. 2486-820-209)



The BIZ 2400 II offers outstanding sound at both ends of the call for a superior customer experience. Up to 40% lighter than competing headsets and with a low headband pressure, the Biz 2400 II allows the agent to focus on their customer conversation in unrivalled comfort. Jabra BIZ 2400 II QD Duo is a duo headset with QD (Quick Disconnect) plug that provides instant connectivity to a wide range of desk phone systems.

Jabra Biz 2300 QD Duo
(Item no. 2309-820-105)



Your contact center agents are your brand ambassadors, so give them the tool to sound as clear as your brand. In Jabra's Biz™ 2300 world class sound meets world class durability in an exceptionally comfortable and stylish corded headset – keeping both your agents and your customers happy. Jabra Biz™ 2300 QD Duo is a duo headset with QD (Quick Disconnect) plug that provides instant connectivity to a wide range of desk phone systems.

Jabra Biz 2300 QD Mono
 (Item no. 2303-820-105)



Your contact center agents are your brand ambassadors, so give them the tool to sound as clear as your brand. In Jabra's Biz™ 2300 world class sound meets world class durability in an exceptionally comfortable and stylish corded headset – keeping both your agents and your customers happy. Jabra Biz™ 2300 QD Mono is a mono headset with QD (Quick Disconnect) plug that provides instant connectivity to a wide range of desk phone systems.

Jabra Biz 1500 Duo QD
 (Item no. 1519-0157)





The Jabra BIZ 1500 is an entry level, low cost professional corded headset built for cost conscious contact centers. With noise cancellation technology, background noise is reduced providing a more professional customer experience on every call.

Jabra Biz 1500 Mono QD
 (Item no. 1513-0157)



The Jabra BIZ 1500 is an entry level, low cost professional corded headset built for cost conscious contact centers. With noise cancellation technology, background noise is reduced providing a more professional customer experience on every call.



<u>Jabra GN2100 3-in-1, Soundtube</u> (Item no. 2106-32-105)	
	<p>The Jabra GN2100 mono headset proves that style and performance can seamlessly work together in the contact center or office. The Jabra GN2100 combines real life durability and the flexibility to choose your preferred wearing style, all in a lightweight, great looking corded headset. Connect to your desk phone with QD (Quick Disconnect) connect cables. Flexible 3-in-1 design allows for headband, ear hook, or ear loop wearing style. Also features an omni-directional microphone for low noise environments.</p>


<u>Jabra GN2100 3-in-1, Noise Canceling, STD</u> (Item no. 2104-820-105)	
	<p>The Jabra GN2100 mono headset proves that style and performance can seamlessly work together in the contact center or office. The Jabra GN2100 combines advanced noise cancelling microphone technology, real life durability, and the flexibility to choose your preferred wearing style, all in a lightweight, great looking corded headset. Connect to your desk phone with QD (Quick Disconnect) connect cables. Flexible 4-in-1 design allows for headband, behind-the-neck, ear hook, or ear loop wearing style. Also features a noise canceling microphone (standard microphone sensitivity) to eliminate ambient noise.</p>


Appendix 8
Plantronics Compatibility Guide


Plantronics Compatibility Guide

AudioCodes 450HD

Blackwire 3210 (C3210)	
	<p>The Plantronics Blackwire 3200 Series includes corded UC headsets that are durable, comfortable, easy to deploy and come in a variety of connectivity and wearing options. Add insights from Plantronics Manager Pro, an additional Software-as-a-Service offering, and you've got a future-proof solution. Blackwire 3200 Series with Plantronics signature audio provides top notch features at a price you can afford.</p>
Blackwire 3215 (C3215)	
	<p>The Plantronics Blackwire 3200 Series includes corded UC headsets that are durable, comfortable, easy to deploy and come in a variety of connectivity and wearing options. Add insights from Plantronics Manager Pro, an additional Software-as-a-Service offering, and you've got a future-proof solution. Blackwire 3200 Series with Plantronics signature audio provides top notch features at a price you can afford.</p>

Blackwire 3220 (C3220)	
	<p>The Plantronics Blackwire 3200 Series includes corded UC headsets that are durable, comfortable, easy to deploy and come in a variety of connectivity and wearing options. Add insights from Plantronics Manager Pro, an additional Software-as-a-Service offering, and you've got a future-proof solution. Blackwire 3200 Series with Plantronics signature audio provides top notch features at a price you can afford.</p>

Blackwire 3225 (C3225)	
	<p>The Plantronics Blackwire 3200 Series includes corded UC headsets that are durable, comfortable, easy to deploy and come in a variety of connectivity and wearing options. Add insights from Plantronics Manager Pro, an additional Software-as-a-Service offering, and you've got a future-proof solution. Blackwire 3200 Series with Plantronics signature audio provides top notch features at a price you can afford.</p>

Blackwire 5210 (C5210)	
	<p>The Blackwire 5200 Series fits your busy workday. Easy to use, USB/USB-C and 3.5 mm connectivity options let you work on a variety of devices. And it's so comfortable, you'll be able to wear it all day.</p>

Blackwire 5220 (C5220)



The Blackwire 5200 Series fits your busy workday. Easy to use, USB/USB-C and 3.5 mm connectivity options let you work on a variety of devices. And it's so comfortable, you'll be able to wear it all day.

Blackwire C310, Microsoft









Enter UC with the best-featured headset you never thought your budget could buy. The Blackwire 310/320 USB headsets deliver simplicity, durability, comfort, and professional sound at an entry-level cost.

Blackwire C320, Microsoft



Enter UC with the best-featured headset you never thought your budget could buy. The Blackwire 310/320 USB headsets deliver simplicity, durability, comfort, and professional sound at an entry-level cost.

<p>Blackwire C315, Microsoft</p> 	<p>The new Plantronics Blackwire 315/325 corded USB headsets are easy to use, simple to deploy, and offer the choice of USB or 3.5mm connectivity. They deliver top notch UC features with bottom line performance.</p>
<p>Blackwire C325, Microsoft</p> 	<p>The new Plantronics Blackwire 315/325 corded USB headsets are easy to use, simple to deploy, and offer the choice of USB or 3.5mm connectivity. They deliver top notch UC features with bottom line performance.</p>
<p>Blackwire 510, Microsoft</p> 	<p>Corded reliability that's ready when you are.</p>

Blackwire 520, Microsoft	
	Corded reliability that's ready when you are.
Blackwire 710, Microsoft	
	Bluetooth-enabled Corded USB Headset with Smart Sensor Technology
Blackwire 720, Microsoft	
	Bluetooth-enabled Corded USB Headset with Smart Sensor Technology

Blackwire 725, Microsoft




The Blackwire 725 USB headset offers Active Noise Canceling technology, hi-fi stereo performance and all-day comfort so you can tune into work, and tune out noise.

CS510

Plantronics legendary CS family is setting a new wireless standard for desk phone communication with the CS500™ Series. The system features the lightest DECT™ headset on the market, a streamlined design and improved performance all with the same reliability for hands-free productivity that has made the CS family a best-seller for nearly a decade.

CS510 XD

The Plantronics CS500 XD Wireless Headset Series was designed to address wireless density issues*, so that more wireless headsets can be used in the same space while maintaining clear conversations. Using 900 MHz technology, the CS500 XD Series provides up to 350 feet of range, and includes a convertible headset with a hot swappable battery (CS545-XD) for unlimited talk time.

<p>CS520</p> 	<p>Plantronics legendary CS family is setting a new wireless standard for desk phone communication with the CS500™ Series. The system features the lightest DECT™ headset on the market, a streamlined design and improved performance all with the same reliability for hands-free productivity that has made the CS family a best-seller for nearly a decade.</p>
<p>CS520 XD</p> 	<p>The Plantronics CS500 XD Wireless Headset Series was designed to address wireless density issues*, so that more wireless headsets can be used in the same space while maintaining clear conversations. Using 900 MHz technology, the CS500 XD Series provides up to 350 feet of range, and includes a convertible headset with a hot swappable battery (CS545-XD) for unlimited talk time.</p>
<p>CS530</p> 	<p>Plantronics legendary CS family is setting a new wireless standard for desk phone communication with the CS500™ Series. The system features the lightest DECT™ headset on the market, a streamlined design and improved performance all with the same reliability for hands-free productivity that has made the CS family a best-seller for nearly a decade.</p>

CS540


Plantronics legendary CS family is setting a new wireless standard for desk phone communication with the CS500™ Series. The system features the lightest DECT™ headset on the market, a streamlined design and improved performance all with the same reliability for hands-free productivity that has made the CS family a best-seller for nearly a decade.


CS540 XD


The Plantronics CS500 XD Wireless Headset Series was designed to address wireless density issues*, so that more wireless headsets can be used in the same space while maintaining clear conversations. Using 900 MHz technology, the CS500 XD Series provides up to 350 feet of range, and includes a convertible headset with a hot swappable battery (CS545-XD) for unlimited talk time.


CS545 XD


The Plantronics CS500 XD Wireless Headset Series was designed to address wireless density issues*, so that more wireless headsets can be used in the same space while maintaining clear conversations. Using 900 MHz technology, the CS500 XD Series provides up to 350 feet of range, and includes a convertible headset with a hot swappable battery (CS545-XD) for unlimited talk time.


EncorePro 510	
	<p>The Plantronics EncorePro 500 Series is an all-new generation of headsets for customer service centers and offices, designed for the future, and built on experience. Three innovative models deliver greater comfort for all-day wearing, superior noise-canceling for clearer calls, and increased reliability so conversations can continue without worry. And they'll help you meet the OSHA / Noise at Work regulations.</p>

EncorePro 520	
	<p>The Plantronics EncorePro 500 Series is an all-new generation of headsets for customer service centers and offices, designed for the future, and built on experience. Three innovative models deliver greater comfort for all-day wearing, superior noise-canceling for clearer calls, and increased reliability so conversations can continue without worry. And they'll help you meet the OSHA / Noise at Work regulations.</p>

EncorePro 530	
	<p>The Plantronics EncorePro 500 Series is an all-new generation of headsets for customer service centers and offices, designed for the future, and built on experience. Three innovative models deliver greater comfort for all-day wearing, superior noise-canceling for clearer calls, and increased reliability so conversations can continue without worry. And they'll help you meet the OSHA / Noise at Work regulations.</p>

EncorePro 540	
	The Plantronics EncorePro 500 Series is an all-new generation of headsets for customer service centers and offices, designed for the future, and built on experience. Three innovative models deliver greater comfort for all-day wearing, superior noise-canceling for clearer calls, and increased reliability so conversations can continue without worry. And they'll help you meet the OSHA / Noise at Work regulations.

EncorePro 710	
	Reward your top performers with our top-of-the-line Plantronics EncorePro 700 headset series, designed for customer service representatives. Its distinctive design is slim and stylish with an elegant satin finish. Its featherweight materials and leatherette ear pads ensure luxurious comfort, while its unique curved, telescoping microphone and pivoting boom deliver crystal-clear, private conversations. The EncorePro 700 Series – the thoroughbred of headsets.

EncorePro 720	
	Reward your top performers with our top-of-the-line Plantronics EncorePro 700 headset series, designed for customer service representatives. Its distinctive design is slim and stylish with an elegant satin finish. Its featherweight materials and leatherette ear pads ensure luxurious comfort, while its unique curved, telescoping microphone and pivoting boom deliver crystal-clear, private conversations. The EncorePro 700 Series – the thoroughbred of headsets.

Savi 710, Microsoft



The Savi 700 series is changing the way productivity-focused office professionals communicate. With multi-device connectivity, a newly designed convertible headset, and up to 120 metres of wireless range, now you can easily manage desk phone, PC and mobile phone calls with the most intelligent wireless headset system on the market.

Savi 720, Microsoft



The Savi 700 series is changing the way productivity-focused office professionals communicate. With multi-device connectivity, a newly designed convertible headset, and up to 120 metres of wireless range, now you can easily manage desk phone, PC and mobile phone calls with the most intelligent wireless headset system on the market.

Savi 730, Microsoft



The Savi 700 series is changing the way productivity-focused office professionals communicate. With multi-device connectivity, a newly designed convertible headset, and up to 120 metres of wireless range, now you can easily manage desk phone, PC and mobile phone calls with the most intelligent wireless headset system on the market.

Savi 740, Microsoft



The Savi 700 series is changing the way productivity-focused office professionals communicate. With multi-device connectivity, a newly designed convertible headset, and up to 120 metres of wireless range, now you can easily manage desk phone, PC and mobile phone calls with the most intelligent wireless headset system on the market.

Savi 745, Microsoft



The Savi 700 series is changing the way productivity-focused office professionals communicate. With multi-device connectivity, a newly designed convertible headset, and up to 120 metres of wireless range, now you can easily manage desk phone, PC and mobile phone calls with the most intelligent wireless headset system on the market.

Voyager Legend CS



The office headset designed to go mobile. You work in the office, on the drive home, even at home. For your flexible work style, the Voyager Legend CS was designed to move with you throughout your day. Its intuitive smart sensor technology lets you answer calls simply by placing it on your ear, and you can always count on crystal clear audio with noise canceling technology that blocks out nearby voices, car horns, even wind. Connect to your desk phone. Connect to your mobile. Work better on both.



Appendix 9
Sennheiser for AudioCodes

AudioCodes Compatibility



Sennheiser Communications Solution Overview



The Pursuit of Perfect Sound

Sennheiser at a glance



- Founded in 1945 by Dr. Fritz Sennheiser
- Market leading audio brand
- Products range from headphones, headsets and microphones to integrated systems
- Workforce of more than 2700 people all over the world
- Annual turnover in 2014 of €635 million
- Production sites in Germany, Ireland and the USA
- International network of subsidiaries and distribution partners

The Sennheiser product categories

Headphones
& Headsets



Contact Center &
Office (CC&O)



Microphones



Business
Communication



Sennheiser's worldwide distribution network



Our value proposition



What will you experience from Sennheiser Headsets?

In the making of headsets for Contact Centers, Offices (CC&O) and Unified Communications professionals we are focusing on three main areas, which outline our value proposition - these are the areas which you need to experience:

- Sound Leadership
- Quality Design
- User Focus

Product Introduction



The Pursuit of Perfect Sound

Wireless headset portfolio



DW & SD Series (DECT)

PRESENCE™ and MB Series (Bluetooth)

Speakerphone portfolio



Speakerphone Series



Wired headset portfolio



Century Series

Circle Series

Culture Plus Series

Culture Series

Wired headset portfolio



SH Series



CC Series

Product Specifications



The Pursuit of Perfect Sound

Work place and device definitions



Typical desk users spend limited time away from their desk and are not required to answer calls when away from their desk.



Typical office-based users have an allocated desk although they don't spend too much of their time at their desk.



Typical field-based users have no dedicated desk in the office and no fixed location but should be available while on the road.

Compatible with:



Desk phone



Softphone



Mobile phone

DW Wireless Series



DW Pro 1



DW Pro 2



DW Office

- Sennheiser Voice Clarity for a more natural experience
- Noise-cancelling microphone
- Long distance wireless range - up to 55 m / 180 ft in typical office building. Up to 180 m / 590 ft in line of sight
- ActiveGuard® - acoustic shock protection
- Full workday talk time
- Fast charging - 50% in 20 min
- Pairing for sharing (hot desking) and phone conferences



D 10 Wireless Series



D 10
Phone/
USB



Ear hook

- 2-in-1 wearing style (headband or ear hook) for all-day use
- Noise-cancelling microphone
- Sennheiser Voice Clarity for a more natural experience
- Full workday of talk time
- Fast charging - 50% in just 20 minutes
- Long distance wireless range - up to 180 m (590 ft) with line of sight - 55 m (180 ft) in typical office environment
- ActiveGuard® - acoustic shock protection



D 10 Phone



D 10 USB



SD Wireless Series*



SD Pro 1

SD Pro 2



SD
Office

- Sennheiser Voice Clarity for a more natural experience
- Noise-cancelling microphone
- Long Distance Wireless Range - Up to 55 m in typical office building. Up to 180 m in line of sight
- ActiveGuard® acoustic shock protection
- Full workday talk time
- Fast charge 50 % in 20 min.
- Pairing for desk sharing and phone conferences

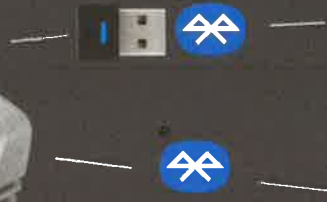


* Only available in the Americas

PRESENCE™ Series



PRESENCE
UC



- Full workday talk time
- Best-in-class sound quality with SpeakFocus™ and WindSafe™ technologies
- Premium quality design
- Intuitive user interface
- Multi-connectivity - seamlessly switch between softphone and mobile calls
- Extended range - up to 25 m / 80 ft
- Fully charged in 1 hour and 15 min
- Light weight - 13 grams
- Flexible wearing style
- Carry case included

Mobile Business Pro Series



MB Pro 1 UC

MB Pro 2 UC



- Sennheiser Voice Clarity - ultra noise-cancelling microphone for a natural sounding conversation
- Sound-enhancement profiles - perfect for communication and multimedia/music
- Large leatherette ear pad - for exceptional wearing comfort and powerful sound
- Full workday talk time
- Room Experience* technology - provides a more ambient, realistic sound giving users a more natural listening experience
- Multi-connectivity - seamlessly switch between softphone and mobile calls

* Available for double-sided variants with on/off feature

Sennheiser Speakerphone Series



SP 10 /
SP 20

- Compact and portable - lightweight design for mobile business professionals
- Outstanding communications experience - Sennheiser Voice Clarity and echo cancelling for a natural speech and listening experience
- Exceptional sound - replace PC and mobile phone speakers and microphones with Sennheiser sound quality
- Sound-enhancement profile for music and video
- Connects to PC (Windows/Mac) and mobile phone or tablet
- Intuitive user interface - clear microphone mute button, call and volume control and easy cable management



Century™ Wired Series



SC 630



SC 660

- Premium designed headset optimized for flexibility
- Sennheiser Voice Clarity for a more natural experience
- Optimum speech clarity through noise cancelling microphone
- ActiveGuard® acoustic shock protection
- Stereo sound in double-sided USB variant
- 90° foldable brushed aluminium ear cups
- Large leatherette ear pads for perfect wearing comfort



Easy
Disconnect
Versions



USB CTRL
Versions



Circle™ Wired Series



SC 230



SC 260

- Sennheiser Voice Clarity for a more natural experience
- Optimum speech clarity through noise cancelling microphone
- ActiveGard® acoustic shock protection
- High wearing comfort with CircleFlex™
- Bendable boom arm for optimal microphone position
- Robustness and durability in focus



Easy
Disconnect
Versions



USB/USB
CTRL Versions



Culture Plus™ Series



SC 40
USB CTRL

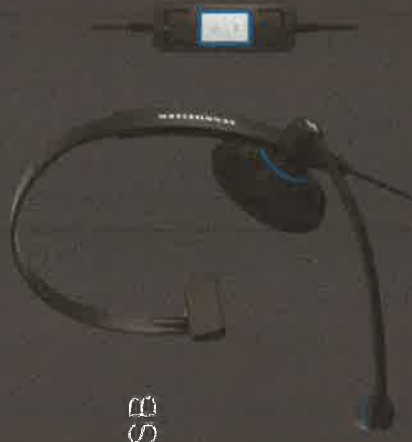


SC 70 USB
CTRL

- Lightweight headband with leatherette padding and 2-in-1 ear pad styles for maximum wearing comfort
- Sennheiser Voice Clarity for a natural listening experience
- Optimum speech intelligibility through noise-cancelling microphone
- Sennheiser ActiveGuard® protects users against acoustic injury



Culture™ Series



SC 30 USB
CTRL



SC 60 USB
CTRL

- Deployment friendly solution with integrated call control and USB connector
- Sennheiser Voice Clarity for a more natural experience
- Optimum speech clarity through noise cancelling microphone
- ActiveGuard® - acoustic shock protection
- Lightweight - increased comfort
- Large, comfortable ear pads for long term use



SH Series



SH 330



SH 350

- Sennheiser Voice Clarity - sound for a more natural experience
- Noise-cancelling microphone filters out ambient sounds for clearer speech
- Precision positioning - 300° adjustable microphone boom for personalized mic placement and wearing flexibility on right or left side
- Headband adjustable on both sides for balanced fit
- ActiveGuard® technology protects against acoustic shock and sudden sound surges



CC Series



CC 515



CC 550

- Sennheiser Voice Clarity - sound for a more natural experience
- Ultra noise-cancelling microphone filters out ambient sounds for clearer speech
- Precision positioning - 300° adjustable microphone boom for personalized mic placement and wearing flexibility on right or left side
- Extra comfort - generous padding on the headband and earpad(s)
- ActiveGuard® technology protects against acoustic shock and sudden sound surges





Sennheiser - AudioCodes Compatibility



The Pursuit of Perfect Sound

AudioCodes 400HD Skype for Business - Compatible IP Phones



AudioCodes 405*



AudioCodes 420HD



AudioCodes 430HD



AudioCodes 440HD



CSTD 01 - art. nr. 005362



CC Series



SH Series



SC 2xx Series



SC 6xx Series

* AudioCodes 405HD is not yet certified for Skype for Business

AudioCodes 400HD Skype for Business - Compatible IP Phones



AudioCodes 430HD



AudioCodes 440HD

Call control support from AudioCodes firmware version 2.0.11.194.10.2 ML



USB



Culture USB CTRL



Culture Plus USB CTRL



SC 2xx USB CTRL



SC 6xx USB CTRL

AudioCodes 400HD Skype for Business - Compatible IP Phones



AudioCodes 430HD



AudioCodes 440HD



USB-ED-CC-01 - Art. Nr. 506578



SC 230 / SC 260



SC 630 / SC 660

AudioCodes 400HD Skype for Business - Compatible IP Phones



AudioCodes 430HD



AudioCodes 440HD

Call control support from AudioCodes firmware version 2.0.11.194.10.2 ML. Ring indication to headset will be supported in the next AudioCodes firmware



USB



DW Series, SD Series*, D 10 USB

* Only available in America

AudioCodes 400HD Skype for Business - Compatible IP Phones



AudioCodes 430HD



AudioCodes 440HD

Call control support from AudioCodes firmware version 2.0.11.194.10.2 ML. Ring indication to headset will be supported in the next AudioCodes firmware. Due to missing a ring indication, a press is required to answer a call.



BTD 800 USB



Presence UC



MB Pro UC Series

AudioCodes 400HD Skype for Business - Compatible IP Phones



AudioCodes 430HD



AudioCodes 440HD

Call control support from AudioCodes firmware version 2.0.11.194.10.2 ML. Ring indication to headset will be supported in the future AudioCodes firmware



USB



SP Series



Experience Sennheiser

For more information about headsets and speakerphones from Sennheiser and AudioCodes, please go to: www.sennheiser.com/cco





Appendix 10

FIPS 140-2 Addendum

(Due to file size, this has been provided on the enclosed CD)

Appendix 11

C1 Connectivity Server Specifications

(This is proprietary information and has been provided separately.)



Appendix 12

Audio Codec Bandwidth

Audio Codec Bandwidth

Audio Codec	Scenario	Audio Payload Bit Rate (KBPS)	Bandwidth audio payload and IP header only (Kbps)	Bandwidth audio payload, IP header, UDP, RTP and SRTP (Kbps)	Bandwidth audio payload, IP header, UDP, RTP, SRTP and forward error correction (Kbps)
RTAudio Wideband	Peer-to-peer	29.0	45.0	57.0	86.0
RTAudio Narrowband	Peer-to-peer PSTN	11.8	27.8	39.8	51.6
G.722	Conferencing	64.0	80.0	95.6	159.6
G.722 Stereo	Peer-to-peer Conferencing	128.0	144.0	159.6	223.6
G.711	PSTN, Conferencing	64.0	80.0	92.0	156.0
Siren	Conferencing	16.0	32.0	47.6	63.6
SILK Wideband	Peer-to-peer	36.0	52.0	64.0	100.0
SILK Wideband	Peer-to-peer	26.0	42.0	54.0	80.0
SILK Wideband	Peer-to-peer	20.0	36.0	48.0	68.0
SILK wideband/narrowband	Peer-to-peer	13.0	29.0	41.0	54.0



Appendix 13

Microsoft Online Services SLA

Volume
Licensing

Service Level Agreement for Microsoft Online Services May 1, 2018

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Introduction

About this Document

This Service Level Agreement for Microsoft Online Services (this "SLA") is a part of your Microsoft volume licensing agreement (the "Agreement"). Capitalized terms used but not defined in this SLA will have the meaning assigned to them in the Agreement. This SLA applies to the Microsoft Online Services listed herein (a "Service" or the "Services"), but does not apply to separately branded services made available with or connected to the Services or to any on-premise software that is part of any Service.

If we do not achieve and maintain the Service Levels for each Service as described in this SLA, then you may be eligible for a credit towards a portion of your monthly service fees. We will not modify the terms of your SLA during the initial term of your subscription; however, if you renew your subscription, the version of this SLA that is current at the time of renewal will apply throughout your renewal term. We will provide at least 90 days' notice for adverse material changes to this SLA. You can review the most current version of this SLA at any time by visiting <http://www.microsoftvolumelicensing.com/SLA>.

Prior Versions of this Document

This SLA provides information on Services currently available. Earlier versions of this document are available at <http://www.microsoftvolumelicensing.com>. To find the needed version, a customer may contact its reseller or Microsoft Account Manager.

Clarifications and Summary of Changes to this Document

Below are recent additions, deletions and other changes to this SLA. Also listed below, are clarifications of Microsoft policy in response to common customer questions.

Additions	Deletions
Azure Advanced Threat Protection	
Azure Load Balancer	
Azure Monitor Alerts	
Azure Monitor Notification Delivery	



General Terms

Definitions

"Applicable Monthly Period" means, for a calendar month in which a Service Credit is owed, the number of days that you are a subscriber for a Service.

"Applicable Monthly Service Fees" means the total fees actually paid by you for a Service that are applied to the month in which a Service Credit is owed.

"Downtime" is defined for each Service in the Services Specific Terms below. Except for Microsoft Azure Services, Downtime does not include Scheduled Downtime. Downtime does not include unavailability of a Service due to limitations described below and in the Services Specific Terms.

"Error Code" means an indication that an operation has failed, such as an HTTP status code in the 5xx range.

"External Connectivity" is bi-directional network traffic over supported protocols such as HTTP and HTTPS that can be sent and received from a public IP address.

"Incident" means (i) any single event, or (ii) any set of events, that result in Downtime.

"Management Portal" means the web interface, provided by Microsoft, through which customers may manage the Service.

"Scheduled Downtime" means periods of Downtime related to network, hardware, or Service maintenance or upgrades. We will publish notice or notify you at least five (5) days prior to the commencement of such Downtime.

"Service Credit" is the percentage of the Applicable Monthly Service Fees credited to you following Microsoft's claim approval.

"Service Level" means the performance metric(s) set forth in this SLA that Microsoft agrees to meet in the delivery of the Services.

"Service Resource" means an individual resource available for use within a Service.

"Success Code" means an indication that an operation has succeeded, such as an HTTP status code in the 2xx range.

"Support Window" refers to the period of time during which a Service feature or compatibility with a separate product or service is supported.

"User Minutes" means the total number of minutes in a month, less all Scheduled Downtime, multiplied by the total number of users.

Terms

Claims

In order for Microsoft to consider a claim, you must submit the claim to customer support at Microsoft Corporation including all information necessary for Microsoft to validate the claim, including but not limited to: (i) a detailed description of the Incident; (ii) information regarding the time and duration of the Downtime; (iii) the number and location(s) of affected users (if applicable); and (iv) descriptions of your attempts to resolve the Incident at the time of occurrence.

For a claim related to Microsoft Azure, we must receive the claim within two months of the end of the billing month in which the Incident that is the subject of the claim occurred. For claims related to all other Services, we must receive the claim by the end of the calendar month following the month in which the Incident occurred. For example, if the Incident occurred on February 15th, we must receive the claim and all required information by March 31st.

We will evaluate all information reasonably available to us and make a good faith determination of whether a Service Credit is owed. We will use commercially reasonable efforts to process claims during the subsequent month and within forty-five (45) days of receipt. You must be in compliance with the Agreement in order to be eligible for a Service Credit. If we determine that a Service Credit is owed to you, we will apply the Service Credit to your Applicable Monthly Service Fees.

If you purchased more than one Service (not as a suite), then you may submit claims pursuant to the process described above as if each Service were covered by an individual SLA. For example, if you purchased both Exchange Online and SharePoint Online (not as part of a suite), and during the term of the subscription an Incident caused Downtime for both Services, then you could be eligible for two separate Service Credits (one for each Service), by submitting two claims under this SLA. In the event that more than one Service Level for a particular Service is not met because of the same Incident, you must choose only one Service Level under which to make a claim based on the Incident. Unless as otherwise provided in a specific SLA, only one Service Credit is permitted per Service for an Applicable Monthly Period.

Service Credits

Service Credits are your sole and exclusive remedy for any performance or availability issues for any Service under the Agreement and this SLA. You may not unilaterally offset your Applicable Monthly Service Fees for any performance or availability issues.

Service Credits apply only to fees paid for the particular Service, Service Resource, or Service tier for which a Service Level has not been met. In cases where Service Levels apply to individual Service Resources or to separate Service tiers, Service Credits apply only to fees paid for the affected

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Service Resource or Service tier, as applicable. The Service Credits awarded in any billing month for a particular Service or Service Resource will not, under any circumstance, exceed your monthly service fees for that Service or Service Resource, as applicable, in the billing month.

If you purchased Services as part of a suite or other single offer, the Applicable Monthly Service Fees and Service Credit for each Service will be prorated.

If you purchased a Service from a reseller, you will receive a service credit directly from your reseller and the reseller will receive a Service Credit directly from us. The Service Credit will be based on the estimated retail price for the applicable Service, as determined by us in our reasonable discretion.

Limitations

This SLA and any applicable Service Levels do not apply to any performance or availability issues:

1. Due to factors outside our reasonable control (for example, natural disaster, war, acts of terrorism, riots, government action, or a network or device failure external to our data centers, including at your site or between your site and our data center);
2. That result from the use of services, hardware, or software not provided by us, including, but not limited to, issues resulting from inadequate bandwidth or related to third-party software or services;
3. That results from failures in a single Microsoft Datacenter location, when your network connectivity is explicitly dependent on that location in a non-geo-resilient manner;
4. Caused by your use of a Service after we advised you to modify your use of the Service, if you did not modify your use as advised;
5. During or with respect to preview, pre-release, beta or trial versions of a Service, feature or software (as determined by us) or to purchases made using Microsoft subscription credits;
6. That result from your unauthorized action or lack of action when required, or from your employees, agents, contractors, or vendors, or anyone gaining access to our network by means of your passwords or equipment, or otherwise resulting from your failure to follow appropriate security practices;
7. That result from your failure to adhere to any required configurations, use supported platforms, follow any policies for acceptable use, or your use of the Service in a manner inconsistent with the features and functionality of the Service (for example, attempts to perform operations that are not supported) or inconsistent with our published guidance;
8. That result from faulty input, instructions, or arguments (for example, requests to access files that do not exist);
9. That result from your attempts to perform operations that exceed prescribed quotas or that resulted from our throttling of suspected abusive behavior;
10. Due to your use of Service features that are outside of associated Support Windows; or
11. For licenses reserved, but not paid for, at the time of the Incident.

Services purchased through Open, Open Value, and Open Value Subscription volume licensing agreements, and Services in an Office 365 Small Business Premium suite purchased in the form of a product key are not eligible for Service Credits based on service fees. For these Services, any Service Credit that you may be eligible for will be credited in the form of service time (i.e., days) as opposed to service fees, and any references to "Applicable Monthly Service Fees" is deleted and replaced by "Applicable Monthly Period."

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Service Specific Terms

Microsoft Dynamics 365

Microsoft Dynamics 365 for Customer Service

Downtime: Any period of time when end users are unable to read or write any Service data for which they have appropriate permission but this does not include non-availability of Service add-on features.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

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Microsoft Dynamics 365 Business Central

Downtime: Any period of time when end users are unable to login to their instance.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

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Microsoft Dynamics 365 for Finance and Operations (Enterprise edition)

Additional Definitions:

“Active Tenant” means a tenant with an active high availability production topology in the Management Portal that (A) has been deployed to a Partner Application Service; and (B) has an active database that users can log into.

“Partner Application Service” means a partner application built on top of and combined with the Platform that (A) is used for processing your organization’s actual business transactions; and (B) has reserve compute and storage resources equal to or greater than one of the Scale Units your partner selected for the applicable partner application.

“Maximum Available Minutes” means the total accumulated minutes during a billing month in which an Active Tenant was deployed in a Partner Application Service using an active high availability production topology.

“Platform” means the Service’s client forms, SQL server reports, batched operations, and API endpoints, or the Service’s retail APIs that are used for commerce or retail purposes only.

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“Scale Unit” means the increments by which compute and storage resources are added to or removed from a Partner Application Service.

“Service Infrastructure” means the authentication, computing, and storage resources that Microsoft provides in connection with the Service.

Downtime: Any period of time when end users are unable to login to their Active Tenant, due to a failure in the unexpired Platform or the Service Infrastructure as Microsoft determines from automated health monitoring and system logs. Downtime does not include Scheduled Downtime, the unavailability of Service add-on features, the inability to access the Service due to your modifications of the Service, or periods where the Scale Unit capacity is exceeded.

Monthly Uptime Percentage: The Monthly Uptime Percentage for a given Active Tenant in a calendar month is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

Microsoft Dynamics 365 for Retail

Additional Definitions:

“Active Tenant” means a tenant with an active high availability production topology in the Management Portal that (A) has been deployed to a Partner Application Service; and (B) has an active database that users can log into.

“Partner Application Service” means a partner application built on top of and combined with the Platform that (A) is used for processing your organization’s actual business transactions; and (B) has reserve compute and storage resources equal to or greater than one of the Scale Units your partner selected for the applicable partner application.

“Maximum Available Minutes” means the total accumulated minutes during a billing month in which an Active Tenant was deployed in a Partner Application Service using an active high availability production topology.

“Platform” means the Service’s client forms, SQL server reports, batched operations, and API endpoints, or the Service’s retail APIs that are used for commerce or retail purposes only.

“Scale Unit” means the increments by which compute and storage resources are added to or removed from a Partner Application Service.

“Service Infrastructure” means the authentication, computing, and storage resources that Microsoft provides in connection with the Service.

Downtime: Any period of time when end users are unable to access their Active Tenant, due to a failure in the unexpired Platform or the Service Infrastructure as Microsoft determines from automated health monitoring and system logs. Downtime does not include Scheduled Downtime, the unavailability of Service add-on features, the inability to access the Service due to your modifications of the Service, or periods where the Scale Unit capacity is exceeded.

Monthly Uptime Percentage: The Monthly Uptime Percentage for a given Active Tenant in a calendar month is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%

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Monthly Uptime Percentage	Service Credit
< 95%	100%

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Microsoft Dynamics 365 for Sales Enterprise; Microsoft Dynamics 365 for Sales Professional

Downtime: Any period of time when end users are unable to read or write any Service data for which they have appropriate permission but this does not include non-availability of Service add-on features.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{User\ Minutes - Downtime}{User\ Minutes} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

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Microsoft Dynamics 365 for Talent; Microsoft Dynamics 365 for Talent: Attract; Microsoft Dynamics 365 for Talent: Onboard

Additional Definitions:

“Active Tenant” means a tenant with an active high availability production topology in the Management Portal that has an active database that users can log into.

Downtime: Any period of time when end users are unable to read or write any Service data for which they have appropriate permission. Downtime does not include Scheduled Downtime.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{User\ Minutes - Downtime}{User\ Minutes} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.5%	25%
< 99%	50%
< 95%	100%

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Office 365 Services

Duet Enterprise Online

Downtime: Any period of time when users are unable to read or write any portion of a SharePoint Online site collection for which they have appropriate permissions.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

Service Level Exceptions: This SLA does not apply when the inability to read or write any portion of a SharePoint Online site is caused by any failure of third party software, equipment, or services that are not controlled by Microsoft, or Microsoft software that is not being run by Microsoft itself as part of the Service.

Additional Terms: You will be eligible for a Service Credit for Duet Enterprise Online only when you are eligible for a Service Credit for the SharePoint Online Plan 2 User SLs that you have purchased as a prerequisite for your Duet Enterprise Online User SLs.

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Exchange Online

Downtime: Any period of time when users are unable to send or receive email with Outlook Web Access. There is no Scheduled Downtime for this service.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

Additional Terms: See Appendix 1 – Service Level Commitment for Virus Detection and Blocking, Spam Effectiveness, or False Positive.

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Exchange Online Archiving

Downtime: Any period of time when users are unable to access the email messages stored in their archive. There is no Scheduled Downtime for this service.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

Service Level Exceptions: This SLA does not apply to the Enterprise CAL suite purchased through Open Value and Open Value Subscription volume licensing agreements.

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Exchange Online Protection

Downtime: Any period of time when the network is not able to receive and process email messages. There is no Scheduled Downtime for this service.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

Service Level Exceptions: This SLA does not apply to the Enterprise CAL suite purchased through Open Value and Open Value Subscription volume licensing agreements.

Additional Terms: See (i) Appendix 1 – Service Level Commitment for Virus Detection and Blocking, Spam Effectiveness, or False Positive and (ii) Appendix 2 – Service Level Commitment for Uptime and Email Delivery.

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Microsoft Teams

Downtime: Any period of time when end users are unable to read or post to chat conversations for which they have appropriate permissions.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

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Microsoft MyAnalytics

Downtime: Any period of time when users are unable to access the MyAnalytics dashboard.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

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Office 365 Business

Downtime: Any period of time when Office applications are put into reduced functionality mode due to an issue with Office 365 activation.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

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Office 365 Advanced Compliance

Downtime: Any period of time when Customer Lockbox component of Office 365 Advanced Compliance is put into reduced functionality mode due to an issue with Office 365.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

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Office 365 ProPlus

Downtime: Any period of time when Office applications are put into reduced functionality mode due to an issue with Office 365 activation.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

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Office Online

Downtime: Any period of time when users are unable to use the Web Applications to view and edit any Office document stored on a SharePoint Online site for which they have appropriate permissions.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

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Office 365 Video

Downtime: Any period of time when users are unable to upload, view or edit videos in the video portal when they have appropriate permissions and valid content.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Level Commitment:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

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OneDrive for Business

Downtime: Any period of time when users are unable to view or edit files stored on their personal OneDrive for Business storage.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

Project Online

Downtime: Any period of time when users are unable to read or write any portion of a SharePoint Online site collection with Project Web App for which they have appropriate permissions.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

SharePoint Online

Downtime: Any period of time when users are unable to read or write any portion of a SharePoint Online site collection for which they have appropriate permissions.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%

Monthly Uptime Percentage	Service Credit
< 99%	50%
< 95%	100%

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Skype for Business Online

Downtime: Any period of time when end users are unable to see presence status, conduct instant messaging conversations, or initiate online meetings.¹

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

¹Online meeting functionality applicable only to Skype for Business Online Plan 2 Service.

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Skype for Business Online – PSTN Calling and PSTN Conferencing

Downtime: Any period of time when end users are unable to initiate a PSTN call or unable to dial into a PSTN conference.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

Where Downtime is measured in user-minutes; that is, for each month Downtime is the sum of the length (in minutes) of each incident that occurs during that month multiplied by the number of users impacted by that incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

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Skype for Business Online – Voice Quality

This SLA applies to any eligible call placed by any voice service user within the subscription (enabled for making any type of call VOIP or PSTN).

Additional Definitions:

“**Eligible Call**” is a Skype for Business placed call (within a subscription) that meets both conditions below:

- The call was placed from a Skype for Business Certified IP Desk phones on wired Ethernet
- Packet Loss, Jitter and Latency issues on the call were due to networks managed by Microsoft.

“**Total Calls**” is the total number of Eligible Calls

“**Poor Quality Calls**” is the total number of Eligible Calls that are classified as poor based on numerous factors that could impact call quality in the networks managed by Microsoft. While the current Poor Call classifier is built primarily on network parameters like RTT (Roundtrip Time), Packet

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Loss Rate, Jitter and Packet Loss-Delay Concealment Factors, it is dynamic and continually updated based on new learnings from analysis using millions of Skype and Skype for Business calls and evolution of Devices, Algorithms and end user ratings.

Monthly Good Call Rate: The Monthly Good Call Rate is calculated using the following formula:

$$\frac{\text{Total Calls} - \text{Poor Quality Calls}}{\text{Total Calls}} \times 100$$

Service Credit:

Monthly Good Call Rate	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

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Workplace Analytics

Downtime: Any period of time when users are unable to access the Workplace Analytics website.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

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Yammer Enterprise

Downtime: Any period of time greater than ten minutes when more than five percent of end users are unable to post or read messages on any portion of the Yammer network for which they have appropriate permissions.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

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Microsoft Azure Services

AD Domain Services

Additional Definitions:

“**Managed Domain**” refers to an Active Directory domain that is provisioned and managed by Azure Active Directory Domain Services.

“**Maximum Available Minutes**” is the total number of minutes that a given Managed Domain has been deployed by Customer in Microsoft Azure during a billing month in a given Microsoft Azure subscription.

“**Downtime**” is the total accumulated minutes during a billing month for a given Microsoft Azure subscription during which a given Managed Domain is unavailable. A minute is considered unavailable if all requests for domain authentication of user accounts belonging to the Managed Domain, LDAP bind to the root DSE, or DNS lookup of records, made from within the virtual network where the Managed Domain is enabled, either return an Error Code or fail to return a Success Code within 30 seconds.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Levels and Service Credits are applicable to Customer’s use of Azure Active Directory Domain Services:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Analysis Services

Additional Definitions:

“**Server**” means any Azure Analysis Services server.

“**Maximum Available Minutes**” is the total number of minutes that a given Server has been deployed in Microsoft Azure during a billing month in a given Microsoft Azure subscription.

“**Client Operations**” is the set of all documented operations supported by Azure Analysis Services.

Downtime: is the total accumulated minutes during a billing month for a given Microsoft Azure subscription during which a given Server is unavailable. A minute is considered unavailable for a given Server if more than 1% of all Client Operations completed during the minute return an Error Code.

Monthly Uptime Percentage: The Monthly Uptime Percentage for a given Server is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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API Management Services

Additional Definitions:

“**Deployment Minutes**” is the total number of minutes that a given API Management instance has been deployed in Microsoft Azure during a billing month.

“**Maximum Available Minutes**” is the sum of all Deployment Minutes across all API Management instances deployed by you in a given Microsoft Azure subscription during a billing month.

“Proxy” is the component of the API Management Service responsible for receiving API requests and forwarding them to the configured dependent API.

Downtime: The total accumulated Deployment Minutes, across all API Management instances deployed by you in a given Microsoft Azure subscription, during which the API Management Service is unavailable. A minute is considered unavailable for a given API Management instance if all continuous attempts to perform operations through the Proxy throughout the minute result in either an Error Code or do not return a Success Code within five minutes.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit for Basic Tier, Standard Tier and Premium Tier deployments scaled within a single region:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

Service Credit for Premium Tier deployments scaled across two or more regions:

Monthly Uptime Percentage	Service Credit
< 99.95%	10%
< 99%	25%

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App Service

Additional Definitions:

“App” is an API App, Logic App, Web App or Mobile App deployed by Customer within the App Service, excluding web apps in the Free and Shared tiers.

“Deployment Minutes” is the total number of minutes that a given App has been set to running in Microsoft Azure during a billing month. Deployment Minutes is measured from when the App was created or the Customer initiated an action that would result in running the App to the time the Customer initiated an action that would result in stopping or deleting the App.

“Maximum Available Minutes” is the sum of all Deployment Minutes across all Apps deployed by Customer in a given Microsoft Azure subscription during a billing month

Downtime: is the total accumulated Deployment Minutes, across all Apps deployed by Customer in a given Microsoft Azure subscription, during which the App is unavailable. A minute is considered unavailable for a given App when there is no connectivity between the App and Microsoft’s Internet gateway.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.95%	10%
< 99%	25%

Additional Terms: Service Credits are applicable only to fees attributable to your use of Web Apps or Mobile Apps and not to fees attributable to other types of apps available through the App Service, which are not covered by this SLA.

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Application Gateway

Additional Definitions:

“**Application Gateway Cloud Service**” refers to a collection of one or more Application Gateway instances configured to perform HTTP load balancing services.

“**Maximum Available Minutes**” is the total accumulated minutes during a billing month during which an Application Gateway Cloud Service comprising two or more medium or larger Application Gateway instances has been deployed in a Microsoft Azure subscription.

Downtime: is the total accumulated Maximum Available Minutes during a billing month for a given Application Gateway Cloud Service during which the Application Gateway Cloud Service is unavailable. A given minute is considered unavailable if all attempts to connect to the Application Gateway Cloud Service throughout the minute are unsuccessful.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

Application Insights

Additional Definitions:

“**Application Insights Resource**” is the container in Application Insights that collects, processes and stores the data for a single instrumentation key.

“**Maximum Available Minutes**” is the total number of minutes that Application Insights Resource(s) have been deployed within a Microsoft Azure subscription during a billing month.

“**Data Latency**” is the number of minutes that data received from the instrumentation in Customer’s application is delayed from appearing in Application Insights service where the delay is greater than 2 hours.

“**Downtime**” is the total accumulated number of minutes that are part of Maximum Available Minutes that experience Data Latency.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Levels and Service Credits:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Automation Service – Desired State Configuration (DSC)

Additional Definitions:

“**Deployment Minutes**” is the total number of minutes that a given Automation account has been deployed in Microsoft Azure during a billing month.

“**DSC Agent Service**” is the component of the Automation Service responsible for receiving and responding to pull, registration, and reporting requests from DSC nodes.

“**Maximum Available Minutes**” is the sum of all Deployment Minutes across all Automation accounts deployed in a given Microsoft Azure subscription during a billing month

Downtime: The total accumulated Deployment Minutes, across all Automation accounts deployed in a given Microsoft Azure subscription, during which the DSC Agent Service is unavailable. A minute is considered unavailable for a given Automation account if all continuous pull, registration,

and reporting requests from DSC nodes associated with the Automation account to the DSC Agent Service throughout the minute either result in an Error Code or do not return a Success Code within five minutes.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes-Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Automation Service – Process Automation

Additional Definitions:

“**Delayed Jobs**” is the total number of Jobs, for a given Microsoft Azure subscription, that fail to start within thirty (30) minutes of their Planned Start Times.

“**Job**” means the execution of a Runbook.

“**Planned Start Time**” is a time at which a Job is scheduled to begin executing.

“**Runbook**” means a set of actions specified by you to execute within Microsoft Azure.

“**Total Jobs**” is the total number of Jobs scheduled for execution during a given billing month, for a given Microsoft Azure subscription.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Total Jobs} - \text{Delayed Jobs}}{\text{Total Jobs}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Azure Advanced Threat Protection

Additional Definitions:

“**Downtime**” is Any period of time when the admin is unable to access the Azure ATP portal.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

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Azure Bot Service

Additional Definitions:

“**Azure Bot Service Premium Channel**” is a Bot Framework channel in the premium category.

“**Bot**” is the developer’s Internet facing conversational application which is registered with and is configured to send and receive messages from the Azure Bot Service.

“**Bot Framework**” is a platform for building, connecting, testing, and deploying powerful and intelligent bots.

“**Client**” is the end user facing portion of a Bot.

“**Premium Channels API Endpoint**” is a Bot Framework REST API endpoint for Azure Bot Service Premium Channels

“**Total API Requests**” is the total number of requests made by the Bot or the Client to the Premium Channel’s API Endpoint in a Microsoft Azure subscription during a billing month.

“**Failed API Requests**” are the total number of requests within Total API Requests that return an Error Code or do not respond within 2 minutes.

“**Monthly Uptime Percentage**” is calculated as Total API Requests less Failed API Requests divided by Total API Requests multiplied by 100.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Total API Requests} - \text{Failed API Requests}}{\text{Total API Requests}} \times 100$$

The following Service Levels and Service Credits are applicable to Customer’s use of the Azure Bot Service Premium Channels.

Service Levels and Service Credits:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

Azure Cosmos DB

Additional Definitions:

“**Collection**” is a container of JSON documents, and a unit of scale for transactions and queries.

“**Consumed RUs**” is the sum of the Request Units consumed by all the requests which are processed by the Azure Cosmos DB Collection in a given second.

“**Database Account**” is the top-level resource of the Azure Cosmos DB resource model. A Azure Cosmos DB Database Account contains one or more databases.

“**Failed Requests**” are requests within Total Requests that either return an Error Code or fail to return a Success Code within the maximum upper bounds documented in the table below.

“**Failed Read Requests**” are requests within Total Read Requests that either return an Error Code or fail to return a Success Code within the maximum upper bounds documented in the table below.

Operation	Maximum Upper Bound on Processing Latency
All Database Account configuration operations	2 Minutes
Add a new Region	60 Minutes
Manual Failover	5 Minutes
Resource Operations	5 Seconds
Media Operations	60 Seconds

“**Provisioned RUs**” is the total provisioned Request Units for a given Azure Cosmos DB Collection for a given second.

“**Rate Limited Requests**” are requests which are throttled by the Azure Cosmos DB Collection after Consumed RUs have exceeded the Provisioned RUs for a partition in the Collection for a given second.

“**Request Unit (RU)**” is a measure of throughput in Azure Cosmos DB.

“**Resource**” is a set of URI addressable entities associated with a Database Account.

“**Successful Requests**” are Total Requests minus Failed Requests.

“**Total Read Requests**” is the set of all the read requests, including Rate Limited Requests and all the Failed Read Requests, issued against Resources within a one-hour interval within a given Azure subscription during a billing month.

“Total Requests” is the set of all requests, including Rate Limited Requests and all Failed Requests, issued against Resources within a one-hour interval within a given Azure subscription during a billing month.

Availability SLA

“Read Error Rate” is the total number of Failed Read Requests divided by Total Read Requests, across all Resources in a given Azure subscription, during a given one-hour interval. If the Total Read Requests in a given one-hour interval is zero, the Read Error Rate for that interval is 0%.

“Error Rate” is the total number of Failed Requests divided by Total Requests, across all Resources in a given Azure subscription, during a given one-hour interval. If the Total Requests in a given one-hour interval is zero, the Error Rate for that interval is 0%.

“Average Error Rate” for a billing month is the sum of Error Rates for each hour in the billing month divided by the total number of hours in the billing month.

“Average Read Error Rate” for a billing month is the sum of Read Error Rates for each hour in the billing month divided by the total number of hours in the billing month.

Monthly Availability Percentage: For the Azure Cosmos DB Service is calculated by subtracting from 100% the Average Error Rate for a given Microsoft Azure subscription in a billing month. The Monthly Availability Percentage is represented by the following formula:

$$100\% - \text{Average Error Rate}$$

Service Credit:

Monthly Availability Percentage	Service Credit
< 99.99%	10%
< 99%	25%

Monthly Availability Percentage: For the Azure Cosmos DB Service with multiple regions is calculated by subtracting from 100% the Average Read Error Rate for a given Microsoft Azure subscription in a billing month. Monthly Read Availability Percentage is represented by the following formula:

$$100\% - \text{Average Read Error Rate}$$

Service Credit:

Monthly Read Availability Percentage	Service Credit
< 99.999%	10%
< 99%	25%

Throughput SLA

“Throughput Failed Requests” are requests which are throttled by the Azure Cosmos DB Collection resulting in an Error Code, before Consumed RUs have exceeded the Provisioned RUs for a partition in the Collection for a given second.

“Error Rate” is the total number of Throughput Failed Requests divided by Total Requests, across all Resources in a given Azure subscription, during a given one-hour interval. If the Total Requests in a given one-hour interval is zero, the Error Rate for that interval is 0%.

“Average Error Rate” for a billing month is the sum of Error Rates for each hour in the billing month divided by the total number of hours in the billing month.

“Monthly Throughput Percentage” for the Azure Cosmos DB Service is calculated by subtracting from 100% the Average Error Rate for a given Microsoft Azure subscription in a billing month. Monthly Throughput Percentage is represented by the following formula:

$$100\% - \text{Average Error Rate}$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.99%	10%
< 99%	25%

Consistency SLA

“K” is the number of versions of a given document for which the reads lag behind the writes.

“T” is a given time interval.

“Consistency Level” is the setting for a particular read request that supports consistency guarantees. The following table captures the guarantees associated with the Consistency Levels.

Consistency Level	Consistency Guarantees
Strong	Linearizability
Sessions	Read Your Own Write (within write region) Monotonic Read Consistent Prefix
Bounded Staleness	Read Your Own Write (within write region) Monotonic Read (within a region) Consistent Prefix Staleness Bound < K,T
Consistent Prefix	Consistent Prefix
Eventual	Eventual

“**Consistency Violation Rate**” is Successful Requests that could not be delivered when performing the consistency guarantees specified for the chosen Consistency Level divided by Total Requests, across all Resources in a given Azure subscription, during a given one-hour interval. If the Total Requests in a given one-hour interval is zero, the Consistency Violation Rate for that interval is 0%.

“**Average Consistency Violation Rate**” for a billing month is the sum of Consistency Violation Rates for each hour in the billing month divided by the total number of hours in the billing month.

“**Monthly Consistency Attainment Percentage**” for the Azure Cosmos DB Service is calculated by subtracting from 100% the Average Consistency Violation Rate for a given Microsoft Azure subscription in a billing month.

Monthly Consistency Percentage: For the Azure Cosmos DB Service is calculated by subtracting from 100% the Average Consistency Violation Rate for a given Microsoft Azure subscription in a billing month. The Monthly Consistency Percentage is represented by the following formula:

$$100\% - \text{Average Consistency Violation Rate}$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.99%	10%
< 99%	25%

Latency SLA

“**Application**” is a Azure Cosmos DB application deployed within a local Azure region using the Azure Cosmos DB client SDK configured with TCP direct connectivity for a given Microsoft Azure subscription in a billing month.

“**N**” is the number of Successful Requests for a given Application performing either document read or document write operations with a payload size less than or equal to 1 KB in a given hour.

“**S**” is the latency-sorted set of Successful Request response times in ascending order for a given Application performing document read or document write operations with a payload size less than or equal to 1 KB in a given hour.

“**Ordinal Rank**” is the 99th percentile using the nearest rank method represented by the following formula:

$$\text{Ordinal Rank} = \frac{99}{100} \times N$$

“**P99 Latency**” is the value at the Ordinal Rank of S.

“**Excessive Latency Hours**” is the total number of one-hour intervals during which Successful Requests submitted by an Application resulted in a P99 Latency greater than or equal to 10ms for document read or 15ms for document write operations. If the number of Successful Requests in a given one-hour interval is zero, the Excessive Latency Hours for that interval is 0.

“**Average Excessive Latency Rate**” for a billing month is the sum of Excessive Latency Hours divided by the total number of hours in the billing month.

“**Monthly P99 Latency Attainment Percentage**” for a given Azure Cosmos DB Application is calculated by subtracting from 100% the Average Excessive Latency Rate for a given Microsoft Azure subscription in a billing month. Monthly P99 Latency Attainment Percentage is represented by the following formula::

$$100\% - \text{Average Excessive Latency Rate}$$

Service Credit:

Monthly P99 Latency Attainment Percentage	Service Credit
< 99.99%	10%
< 99%	25%

Azure Functions

For Function Apps running on App Service Plans we guarantee that the associated Functions compute will be available 99.95% of the time. No SLA is provided for Functions Apps running under Consumption Plans.

Additional Definitions:

“**Deployment Minutes**” is the total number of minutes that a given Function App is available to be triggered during a billing month. Deployment Minutes are measured based on the total time that the service is available to trigger a function execution and not based on the potential number of Function executions that might be triggered during a given month.

“**Maximum Available Minutes**” is the sum of all Deployment Minutes across all Function Apps deployed by Customer in a given Microsoft Azure subscription during a billing month.

“**Function App**” is an individual Function deployed on an App Service Plan with an associated trigger.

“**Downtime**” The total accumulated Deployment Minutes, across the Function App deployed by a customer in a given Microsoft Azure subscription, during which the Function App is unavailable to be triggered. A minute is considered unavailable for a given Function App when there is no connectivity between the App Service Plan on which the Function App is hosted and Microsoft’s Internet gateway.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes}-\text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Levels and Service Credits:

Monthly Uptime Percentage	Service Credit
< 99.95%	10%
< 99%	25%

Azure Load Balancer

Additional Definitions:

“**Load Balanced Endpoint**” is an IP address and associated IP transport port definition.

“**Healthy Virtual Machine**” is a Virtual Machine which returns a Success Code for the health probe sent by the Azure Standard Load Balancer. The Virtual Machine must have Network Security Group rules permitting communication with the load balanced port.

“**Connectivity**” is bi-directional network traffic over supported IP transport protocols that can be sent and received from any IP address configured to allow traffic.

“**Maximum Available Minutes**” is the total number of minutes that a given Azure Standard Load Balancer (serving two or more Healthy Virtual Machines) has been deployed by Customer in a Microsoft Azure subscription during a billing month.

“**Downtime**” is the total number of minutes within Maximum Available Minutes during which the given Azure Standard Load Balancer is unavailable. A minute is considered unavailable if all Healthy Virtual Machines have no Connectivity through the Load Balanced Endpoint. Downtime does not include minutes resulting from SNAT port exhaustions.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes}-\text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Levels and Service Credits are applicable to Customer’s use of Azure Load Balancer:

Monthly Uptime Percentage	Service Credit
< 99.99%	10%
< 99.9%	25%

Service Level Exceptions: The Basic Load Balancer is not covered by this SLA.

Azure Monitor

Additional Definitions:

“**Action Group**” is a collection of actions deployed by Customer in a given Microsoft Azure subscription which defines preferred notification delivery methods.

“**Deployment Minutes**” is the total number of minutes that a given Action Group has been deployed by Customer in Microsoft Azure subscription during a billing month.

“**Maximum Available Minutes**” is the sum of all Deployment Minutes across all Action Groups deployed by Customer in a given Microsoft Azure subscription during a billing month.

Downtime: is the total accumulated Deployment Minutes, across all Action Groups, during which the Action Group is unavailable. A minute is considered unavailable for a given Action Group if all continuous attempts to send alerts or perform registration management operations with respect to the Action Group throughout the minute either return an Error Code or do not result in a Success Code within five minutes.

Monthly Uptime Percentage: is calculated as Maximum Available Minutes less Downtime divided by Maximum Available Minutes in a billing month for a given Microsoft Azure subscription. Monthly Uptime Percentage is represented by the following formula:

$$\frac{\text{Maximum Available Minutes}-\text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Levels and Service Credits:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Azure Monitor Alerts

Additional Definitions:

“**Alert Rule**” is a collection of signal criteria used to generate alerts using monitoring event data already available to Alert Service for analysis.

“**Maximum Available Minutes**” is the total number of minutes which Alert Rule(s) are deployed by Customer in a given Microsoft Azure subscription during a billing month.

“**Downtime**” is the total number of minutes within Maximum Available Minutes during which the Alert Rule is unavailable. A minute is considered unavailable for a given Alert Rule if all continuous attempts to analyze telemetry signals for resources defined within the Alert Rule throughout the minute either return an Error Code or do not result in a Success Code within five minutes from scheduled Alert Rule start time.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes}-\text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Levels and Service Credits are applicable to Customer’s use of Azure Monitor Alerts:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Azure Monitor Notification Delivery

Additional Definitions:

“**Action Group**” is a collection of actions that defines preferred notification delivery methods.

“**Maximum Available Minutes**” is the total number of minutes which Action Group(s) are deployed by Customer in a given Microsoft Azure subscription during a billing month.

“**Downtime**” is the total number of minutes within Maximum Available Minutes during which the Action Group is unavailable. A minute is considered unavailable for a given Action Group if all continuous attempts to send alerts or perform registration management operations with respect to the Action Group throughout the minute either return an Error Code or do not result in a Success Code within five minutes.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Levels and Service Credits are applicable to Customer's use of Azure Monitor Notification Delivery:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Azure Security Center

Additional Definitions:

“Protected Node” is a Microsoft Azure resource, counted as a node for billing purposes that is configured for the Azure Security Center Standard Tier

“Security Monitoring” is the assessment of a Protected Node resulting in potential findings such as security health status, recommendations, and security alerts, exposed in Azure Security Center.

“Maximum Available Minutes” is the total number of minutes during a billing month that a given Protected Node has been deployed and configured for Security Monitoring.

“Downtime” is the total accumulated minutes during a billing month for which Security Monitoring information of a given Protected Node is unavailable. A minute is considered unavailable for a given Protected Node if all continuous attempts to retrieve Security Monitoring information throughout the minute result in either an Error Code or do not return a Success Code within two minutes.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Batch Service

Additional Definitions:

“Average Error Rate” for a billing month is the sum of Error Rates for each hour in the billing month divided by the total number of hours in the billing month.

“Error Rate” is the total number of Failed Requests divided by Total Requests during a given one-hour interval. If the Total Requests in a given one-hour interval is zero, the Error Rate for that interval is 0%.

“Excluded Requests” are requests that result in an HTTP 4xx status code, other than an HTTP 408 status code.

“Failed Requests” is the set of all requests within Total Requests that either return an Error Code or an HTTP 408 status code or fail to return a Success Code within 5 seconds.

“Total Requests” is the total number of authenticated REST API requests, other than Excluded Requests, to perform operations against Batch accounts attempted within a one-hour interval within a given Azure subscription during a billing month.

Monthly Uptime Percentage: for the Batch Service is calculated by subtracting from 100% the Average Error Rate for a given Microsoft Azure subscription in a billing month. The “Average Error Rate” for a billing month is the sum of Error Rates for each hour in the billing month divided by the total number of hours in the billing month. Monthly Uptime Percentage is represented by the following formula:

$$\text{Monthly Uptime \%} = 100\% - \text{Average Error Rate}$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Backup Service

Additional Definitions:

“**Backup**” or “**Back Up**” is the process of copying computer data from a registered server to a Backup Vault.

“**Backup Agent**” refers to the software installed on a registered server that enables the registered server to Back Up or Restore one or more Protected Items.

“**Backup Vault**” refers to a container in which you may register one or more Protected Items for Backup.

“**Deployment Minutes**” is the total number of minutes during which a Protected Item has been scheduled for Backup to a Backup Vault.

“**Failure**” means that either the Backup Agent or the Service fails to fully complete a properly configured Backup or Recovery operation due to unavailability of the Backup Service.

“**Maximum Available Minutes**” is the sum of all Deployment Minutes across all Protected Items for a given Microsoft Azure subscription during a billing month.

“**Protected Item**” refers to a collection of data, such as a volume, database, or virtual machine that has been scheduled for Backup to the Backup Service such that it is enumerated as a Protected Item in the Protected Items tab in the Recovery Services section of the Management Portal.

“**Recovery**” or “**Restore**” is the process of restoring computer data from a Backup Vault to a registered server.

Downtime: The total accumulated Deployment Minutes across all Protected Items scheduled for Backup by you in a given Microsoft Azure subscription during which the Backup Service is unavailable for the Protected Item. The Backup Service is considered unavailable for a given Protected Item from the first Failure to Back Up or Restore the Protected Item until the initiation of a successful Backup or Recovery of a Protected Item, provided that retries are continually attempted no less frequently than once every thirty minutes.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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BizTalk Services

Additional Definitions:

“**BizTalk Service Environment**” refers to a deployment of the BizTalk Services created by you, as represented in the Management Portal, to which you may send runtime message requests.

“**Deployment Minutes**” is the total number of minutes that a given BizTalk Service Environment has been deployed in Microsoft Azure during a billing month.

“**Maximum Available Minutes**” is the sum of all Deployment Minutes across all BizTalk Service Environments deployed by you in a given Microsoft Azure subscription during a billing month.

“**Monitoring Storage Account**” refers to the Azure Storage account used by the BizTalk Services to store monitoring information related to the execution of the BizTalk Services.

Downtime: The total accumulated Deployment Minutes, across all BizTalk Service Environments deployed by you in a given Microsoft Azure subscription, during which the BizTalk Service Environment is unavailable. A minute is considered unavailable for a given BizTalk Service Environment when there is no connectivity between your BizTalk Service Environment and Microsoft’s Internet gateway.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes-Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

Service Level Exceptions: The Service Levels and Service Credits are applicable to your use of the Basic, Standard, and Premium tiers of the BizTalk Services. The Developer tier of the Microsoft Azure BizTalk Services is not covered by this SLA.

Additional Terms: When submitting a claim, you must ensure that complete monitoring data is maintained within the Monitoring Storage Account and is made available to Microsoft.

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Cache Services

Additional Definitions:

“Cache” refers to a deployment of the Cache Service created by you, such that its Cache Endpoints are enumerated in the Cache tab in the Management Portal.

“Cache Endpoints” refers to endpoints through which a Cache may be accessed.

“Deployment Minutes” is the total number of minutes that a given Cache has been deployed in Microsoft Azure during a billing month.

“Maximum Available Minutes” is the sum of all Deployment Minutes across all Caches deployed by you in a given Microsoft Azure subscription during a billing month.

Downtime: The total accumulated Deployment Minutes, across all Caches deployed by you in a given Microsoft Azure subscription, during which the Cache is unavailable. A minute is considered unavailable for a given Cache when there is no connectivity throughout the minute between one or more Cache Endpoints associated with the Cache and Microsoft’s Internet gateway.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes-Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

Service Level Exceptions: The Service Levels and Service Credits are applicable to your use of the Cache Service, which includes the Azure Managed Cache Service or the Standard tier of the Azure Redis Cache Service. The Basic tier of the Azure Redis Cache Service is not covered by this SLA.

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CDN Service

Downtime: To assess Downtime, Microsoft will review data from any commercially reasonable independent measurement system used by you.

You must select a set of agents from the measurement system’s list of standard agents that are generally available and represent at least five geographically diverse locations in major worldwide metropolitan areas (excluding PR of China).

Measurement System tests (frequency of at least one test per hour per agent) will be configured to perform one HTTP GET operation according to the model below:

1. A test file will be placed on your origin (e.g., Azure Storage account).
2. The GET operation will retrieve the file through the CDN Service, by requesting the object from the appropriate Microsoft Azure domain name hostname.
3. The test file will meet the following criteria:

- i. The test object will allow caching by including explicit “Cache-control: public” headers, or lack of “Cache-Control: private” header.
- ii. The test object will be a file at least 50KB in size and no larger than 1MB.
- iii. Raw data will be trimmed to eliminate any measurements that came from an agent experiencing technical problems during the measurement period.

Monthly Uptime Percentage: The percentage of HTTP transactions in which the CDN responds to client requests and delivers the requested content without error. Monthly Uptime Percentage of the CDN Service is calculated as the number of times the object was delivered successfully divided by the total number of requests (after removing erroneous data).

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99.5%	25%

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Cloud Services

Additional Definitions:

“**Cloud Services**” refers to a set of compute resources utilized for Web and Worker Roles.

“**Role Instance Connectivity**” is bi-directional network traffic between the role instance and other IP addresses using TCP or UDP network protocols in which the role instance is configured for allowed traffic. The IP addresses can be IP addresses in the same Cloud Service as the virtual machine, IP addresses within the same virtual network as the virtual machine or public, routable IP addresses.

“**Maximum Available Minutes**” is the total accumulated minutes during a billing month for all Internet facing roles that have two or more instances deployed in different Update Domains. Maximum Available Minutes is measured from when the Tenant has been deployed and its associated roles have been started resultant from action initiated by Customer to the time Customer has initiated an action that would result in stopping or deleting the Tenant.

“**Tenant**” represents one or more roles each consisting of one or more role instances that are deployed in a single package.

“**Update Domain**” refers to a set of Microsoft Azure instances to which platform updates are concurrently applied.

“**Web Role**” is a Cloud Services component run in the Azure execution environment that is customized for web application programming as supported by IIS and ASP.NET.

“**Worker Role**” is a Cloud Services component run in the Azure execution environment that is useful for generalized development, and may perform background processing for a Web Role.

Downtime: The total accumulated minutes that are part of Maximum Available Minutes that have no Role Instance Connectivity.

Monthly Uptime Percentage: Monthly Uptime Percentage is represented by the following formula:

$$\text{Monthly Uptime \%} = \frac{(\text{Maximum Available Minutes} - \text{Downtime})}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.95%	10%
< 99%	25%

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Container Registry

Additional Definitions:

“**Managed Registry**” is any instance of Basic, Standard or Premium Container Registry.

“**Registry Endpoint**” is the host name from which a given Managed Registry is accessed by clients to perform Container Registry related operations.

“**Registry Transactions**” is the set of transaction requests sent from the client to the Registry Endpoint.

“**Maximum Available Minutes**” is the total number of minutes that a given Managed Container Registry has been deployed by Customer in a Microsoft subscription during a billing month.

“**Downtime**” is the total number of minutes within Maximum Available Minutes during which Managed Registry is unavailable. A minute is considered unavailable if all continuous attempts to send Registry Transactions receive an Error Code or do not respond within the Maximum Processing Time outlined in the table below.

Transaction Types	Maximum Processing Time
List (Repository, Manifests, Tags)	8 Minutes
Others	1 Minute

“Monthly Uptime Percentage” for Managed Container Registry is calculated using the following formula:

$$\text{Monthly Uptime \%} = \frac{(\text{Maximum Available Minutes} - \text{Downtime})}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Data Catalog

Additional Definitions:

“Deployment Minutes” is the total number of minutes for which a Data Catalog has been purchased during a billing month.

“Entries” means any catalog object registration in the Data Catalog (such as a table, view, measure, cluster or report).

“Maximum Available Minutes” is the sum of all Deployment Minutes for the Data Catalog associated with a given Microsoft Azure subscription during a billing month.

Downtime: is the total accumulated Deployment minutes, during which the Data Catalog is unavailable. A minute is considered unavailable for a given Data Catalog if all attempts by administrators to add or remove users to the Data Catalog or all attempts by users to execute API calls to the Data Catalog for registering, searching, or deleting Entries either result in an Error Code or do not return a response within five minutes.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Data Factory – Activity Runs

Additional Definitions:

“Activity Run” means the execution or attempted execution of an activity

“Delayed Activity Runs” is the total number of attempted Activity Runs in which an activity fails to begin executing within four (4) minutes after the time at which it is scheduled for execution and all dependencies that are prerequisite to execution have been satisfied.

“Total Activity Runs” is the total number of Activity Runs attempted during in a billing month for a given Microsoft Azure Subscription.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Total Activity Runs} - \text{Delayed Activity Runs}}{\text{Total Activity Runs}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Data Factory – API Calls

Additional Definitions:

“**Excluded Requests**” is the set of requests within that result in an HTTP 4xx status code, other than an HTTP 408 status code.

“**Failed Requests**” is the set of all requests within Total Requests that either return an Error Code or an HTTP 408 status code or otherwise fail to return a Success Code within two minutes.

“**Resources**” means pipelines, data sets, and linked services created within a Data Factory.

“**Total Requests**” is the set of all requests, other than Excluded Requests, to perform operations against Resources within active pipelines during a billing month for a given Microsoft Azure subscription.

Monthly Uptime Percentage: of the API calls made to the Data Factory Services is calculated as Total Requests less Failed Requests divided by Total Requests in a billing month for a given Microsoft Azure subscription. Monthly Uptime Percentage is represented by the following formula:

$$\text{Monthly Uptime \%} = \frac{(\text{Total Requests} - \text{Failed Requests})}{\text{Total Requests}}$$

Service Credit:

The following Service Credits are applicable to Customer’s use of API calls within the Data Factory Service

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

Data Lake Analytics

Additional Definitions:

“**Total Operations**” is the total number of authenticated operations attempted within a one-hour interval across all Data Lake Analytics accounts in a given Azure subscription during a billing month.

“**Failed Operations**” is the set of all operations within Total Operations that either return an Error Code or fail to return a Success Code within 5 minutes for account creation and deletion and 25 seconds for all other operations with an additional 2 seconds per MB for operations with payload.

“**Error Rate**” is the total number of Failed Operations divided by Total Operations during a given one-hour interval. If the Total Operations in a one-hour interval is zero, the Error Rate for that interval is 0%.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$100\% - \text{Average Error Rate}$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

Data Lake Store

Additional Definitions:

“**Total Operations**” is the total number of authenticated operations attempted within a one-hour interval across all Data Lake Store accounts in a given Azure subscription during a billing month.

“**Failed Operations**” is the set of all operations within Total Operations that either return an Error Code or fail to return a Success Code within 5 minutes for account creation and deletion, 2 seconds per file for operations on multiple files, 2 seconds per MB for data transfer operations, and 2 seconds for all other operations.

“**Error Rate**” is the total number of Failed Operations divided by Total Operations during a given one-hour interval. If the Total Operations in a one-hour interval is zero, the Error Rate for that interval is 0%.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$100\% - \text{Average Error Rate}$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Event Grid

Additional Definitions:

“Maximum Available Minutes” is the total number of minutes that an Event Grid has been deployed by Customer in a Microsoft Azure subscription during a billing month.

“Downtime” is the total number of minutes within Maximum Available Minutes across all Event Grids deployed by Customer in a given Microsoft Azure subscription during which Event Grid is unavailable. A minute is considered unavailable for a given Event Grid if all requests to publish a message either return an Error Code or do not result in a Success Code within one minute.

“Monthly Uptime Percentage”: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
<99.99%	10%
<99%	25%

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ExpressRoute

Additional Definitions:

“Dedicated Circuit” means a logical representation of connectivity offered through the ExpressRoute Service between your premises and Microsoft Azure through an ExpressRoute connectivity provider, where such connectivity does not traverse the public Internet.

“Maximum Available Minutes” is the total number of minutes that a given Dedicated Circuit is linked to one or more Virtual Networks in Microsoft Azure during a billing month in a given Microsoft Azure subscription.

“Virtual Network” refers to a virtual private network that includes a collection of user-defined IP addresses and subnets that form a network boundary within Microsoft Azure.

“VPN Gateway” refers to a gateway that facilitates cross-premises connectivity between a Virtual Network and a customer on-premises network.

“Downtime” is the total accumulated minutes during a billing month for a given Microsoft Azure subscription during which the Dedicated Circuit is unavailable. A minute is considered unavailable for a given Dedicated Circuit if all attempts by you within the minute to establish IP-level connectivity to the VPN Gateway associated with the Virtual Network fail for longer than thirty seconds.

“Monthly Uptime Percentage” is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit The following Service Levels and Service Credits are applicable to Customer’s use of each Dedicated Circuit within the ExpressRoute Service.

Monthly Uptime Percentage	Service Credit
< 99.95%	10%
< 99%	25%

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HDInsight

Additional Definitions:

“**Cluster Internet Gateway**” means a set of virtual machines within an HDInsight Cluster that proxy all connectivity requests to the Cluster.

“**Deployment Minutes**” is the total number of minutes that a given HDInsight Cluster has been deployed in Microsoft Azure.

“**HDInsight Cluster**” or “**Cluster**” means a collection of virtual machines running a single instance of the HDInsight Service.

“**Maximum Available Minutes**” is the sum of all Deployment Minutes across all Clusters deployed by you in a given Microsoft Azure subscription during a billing month.

Downtime: The total accumulated Deployment Minutes when the HDInsight Service is unavailable. A minute is considered unavailable for a given Cluster if all continual attempts within the minute to establish a connection to the Cluster Internet Gateway fail.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes}-\text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

HockeyApp

Additional Definitions:

“**HockeyApp Dashboard**” means the web interface provided to developers to view and manage applications using the HockeyApp Service.

“**Maximum Available Minutes**” is the total number of minutes in a billing month.

Downtime: is the total accumulated minutes in a billing month during which the HockeyApp Service is unavailable. A minute is considered unavailable if all continuous HTTP requests to the HockeyApp Dashboard or to the HockeyApp API throughout the minute either result in an Error Code or do not return a response within one minute. For purposes of the HockeyApp API, HTTP response codes 408, 429, 500, 503, and 511 are not considered Error Codes.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes}-\text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

IoT hub

Additional Definitions:

“**Deployment Minutes**” is the total number of minutes that a given IoT hub has been deployed in Microsoft Azure during a billing month.

“**Device Identity Operations**” refers to create, read, update, and delete operations performed on the device identity registry of an IoT hub.

“**Maximum Available Minutes**” is the sum of all Deployment Minutes across all IoT hubs deployed in a given Microsoft Azure subscription during a billing month.

“**Message**” refers to any content sent by a deployed IoT hub to a device registered to the IoT hub or received by the IoT hub from a registered device, using any protocol supported by the Service.

Downtime: The total accumulated Deployment Minutes, across all IoT hubs deployed in a given Microsoft Azure subscription, during which the IoT hub is unavailable. A minute is considered unavailable for a given IoT hub if all continuous attempts to send or receive Messages or perform Device Identity Operations on the IoT hub throughout the minute either return an Error Code or do not result in a Success Code within five minutes.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes}-\text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Key Vault

Additional Definitions:

“Deployment Minutes” is the total number of minutes that a given key vault has been deployed in Microsoft Azure during a billing month.

“Excluded Transactions” are transactions for creating, updating, or deleting key vaults, keys, or secrets.

“Maximum Available Minutes” is the sum of all Deployment Minutes across all Key Vaults deployed by you in a given Microsoft Azure subscription during a billing month.

Downtime: is the total accumulated Deployment Minutes, across all key vaults deployed by Customer in a given Microsoft Azure subscription, during which the key vault is unavailable. A minute is considered unavailable for a given key vault if all continuous attempts to perform transactions, other than Excluded Transactions, on the key vault throughout the minute either return an Error Code or do not result in a Success Code within 5 seconds from Microsoft’s receipt of the request.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes}-\text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Log Analytics

Additional Definitions:

“Batch” means a group of Log Data entries that are either uploaded to the Log Analytics Service or read from storage by the Log Analytics Service within a given period of time. Batches queued for indexing are displayed in the usage section of the Management Portal.

“Log Data” refers to information regarding a supported event, such as IIS and Windows events, that is logged by a computer and for which the Log Analytics Service has been configured to be processed by the Service index.

“Delayed Batches” is the total number of Batches within Total Queued Batches that fail to complete indexing within six hours of the Batch being queued.

“Total Queued Batches” is the total number of Batches queued for indexing by the Log Analytics Service during a given billing month.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Total Queued Batches} - \text{Delayed Batches}}{\text{Total Queued Batches}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Logic Apps

Additional Definitions:

“**Deployment Minutes**” is the total number of minutes that a given Logic App has been set to running in Microsoft Azure during a billing month. Deployment Minutes is measured from when the Logic App was created or Customer initiated an action that would result in running the Logic App to the time Customer initiated an action that would result in stopping or deleting the Logic App.

“**Maximum Available Minutes**” is the sum of all Deployment Minutes across all Logic Apps deployed by Customer in a given Microsoft Azure subscription during a billing month.

“**Downtime**” The total accumulated Deployment Minutes, across all Logic Apps deployed by Customer in a given Microsoft Azure subscription, during which the Logic App is unavailable. A minute is considered unavailable for a given Logic App when there is no connectivity between the Logic App and Microsoft’s Internet gateway.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Azure Machine Learning Studio – Batch Execution Service (BES) and Management APIs Service

Additional Definitions:

“**Failed Transactions**” is the set of all requests within Total Transaction Attempts that return an Error Code.

“**Total Transaction Attempts**” is the total number of authenticated REST BES and Management API requests by you during a billing month for a given Microsoft Azure subscription.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Total Transaction Attempts} - \text{Failed Transactions}}{\text{Total Transaction Attempts}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

Service Level Exceptions: Service Levels and Service Credits are applicable to your use of the Azure Machine Learning Studio BES and Management API Service. The Free Azure Machine Learning Studio tier is not covered by this SLA.

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Azure Machine Learning Studio – Request Response Service (RRS)

Additional Definitions:

“**Failed Transactions**” is the set of all requests within Total Transaction Attempts that return an Error Code.

“**Total Transaction Attempts**” is the total number of authenticated REST RRS and Management API requests by you during a billing month for a given Microsoft Azure subscription.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Total Transaction Attempts} - \text{Failed Transactions}}{\text{Total Transaction Attempts}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.95%	10%
< 99%	25%

Service Level Exceptions: Service Levels and Service Credits are applicable to your use of the Azure Machine Learning Studio RRS and Management API Service. The Free Azure Machine Learning Studio tier is not covered by this SLA.

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Media Services – Content Protection Service

Additional Definitions:

“**Failed Transactions**” are all Valid Key Requests included in Total Transaction Attempts that result in an Error Code or otherwise do not return a Success Code within 30 seconds after receipt by the Content Protection Service.

“**Total Transaction Attempts**” are all Valid Key Requests made by you during a billing month for a given Azure subscription.

“**Valid Key Requests**” are all requests made to the Content Protection Service for existing content keys in a Customer's Media Service.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Total Transaction Attempts} - \text{Failed Transactions}}{\text{Total Transaction Attempts}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Media Services – Encoding Service

Additional Definitions:

“**Encoding**” means the processing of media files per subscription as configured in the Media Services Tasks.

“**Failed Transactions**” is the set of all requests within Total Transaction Attempts that do not return a Success Code within 30 seconds from Microsoft’s receipt of the request.

“**Media Service**” means an Azure Media Services account, created in the Management Portal, associated with your Microsoft Azure subscription. Each Microsoft Azure subscription may have more than one associated Media Service.

“**Media Services Task**” means an individual operation of media processing work as configured by you. Media processing operations involve encoding and converting media files.

“**Total Transaction Attempts**” is the total number of authenticated REST API requests with respect to a Media Service made by you during a billing month for a subscription. Total Transaction Attempts does not include REST API requests that return an Error Code that are continuously repeated within a five-minute window after the first Error Code is received.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Total Transaction Attempts} - \text{Failed Transactions}}{\text{Total Transaction Attempts}} \times 100$$

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Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Media Services – Indexer Service

Additional Definitions:

“**Encoding Reserved Unit**” means encoding reserved units purchased by the customer in an Azure Media Services account

“**Failed Transactions**” is the set of Indexer Tasks within Total Transaction Attempts that either, a) do not complete within a time period that is 3 times the duration of the input file, or b) do not start processing within 5 minutes of the time that an Encoding Reserved Unit becomes available for use by the Indexer Task.

“**Indexer Task**” means a Media Services Task that is configured to index an MP3 input file with a minimum five-minute duration.

“**Total Transaction Attempts**” is the total number of Indexer Tasks attempted to be executed using an available Encoding Reserved Unit by Customer during a billing month for a subscription.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Total Transaction Attempts} - \text{Failed Transactions}}{\text{Total Transaction Attempts}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Media Services – Live Channels

Additional Definitions:

“**Channel**” means an end point within a Media Service that is configured to receive media data.

“**Deployment Minutes**” is the total number of minutes that a given Channel has been purchased and allocated to a Media Service and is in a running state during a billing month.

“**Maximum Available Minutes**” is the sum of all Deployment Minutes across all Channels purchased and allocated to a Media Service during a billing month.

“**Media Service**” means an Azure Media Services account, created in the Management Portal, associated with your Microsoft Azure subscription. Each Microsoft Azure subscription may have more than one associated Media Service.

Downtime: The total accumulated Deployment Minutes when the Live Channels Service is unavailable. A minute is considered unavailable for a given Channel if the Channel has no External Connectivity during the minute.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Media Services – Streaming Service

Additional Definitions:

“**Deployment Minutes**” is the total number of minutes that a given Streaming Unit has been purchased and allocated to a Media Service during a billing month.

“**Maximum Available Minutes**” is the sum of all Deployment Minutes across all Streaming Units purchased and allocated to a Media Service during a billing month.

“**Media Service**” means an Azure Media Services account, created in the Management Portal, associated with your Microsoft Azure subscription. Each Microsoft Azure subscription may have more than one associated Media Service.

“**Media Service Request**” means a request issued to your Media Service.

“**Streaming Unit**” means a unit of reserved egress capacity purchased by you for a Media Service.

“**Valid Media Services Requests**” are all qualifying Media Service Requests for existing media content in a customer’s Azure Storage account associated with its Media Service when at least one Streaming Unit has been purchased and allocated to that Media Service. Valid Media Services Requests do not include Media Service Requests for which total throughput exceeds 80% of the Allocated Bandwidth.

Downtime: The total accumulated Deployment Minutes when the Streaming Service is unavailable. A minute is considered unavailable for a given Streaming Unit if all continuous Valid Media Service Requests made to the Streaming Unit throughout the minute result in an Error Code.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Total Transaction Attempts} - \text{Failed Transactions}}{\text{Total Transaction Attempts}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Microsoft Cognitive Services

Additional Definitions:

“**Total Transaction Attempts**” is the total number of authenticated API requests by Customer during a billing month for a given Cognitive Service API. Total Transaction Attempts do not include API requests that return an Error Code that are continuously repeated within a five-minute window after the first Error Code is received.

“**Failed Transactions**” is the set of all requests to the Cognitive Service API within Total Transaction Attempts that return an Error Code . Failed Transaction Attempts do not include API requests that return an Error Code that are continuously repeated within a five-minute window after the first Error Code is received.

“**Monthly Uptime Percentage**” for each API Service is calculated as Total Transaction Attempts less Failed Transactions divided by Total Transaction Attempts in a billing month for a given API subscription. Monthly Uptime Percentage is represented by the following formula:

Monthly Uptime % = (Total Transaction Attempts - Failed Transactions) / Total Transaction Attempts * 100

$$\text{Monthly Uptime \%} = \frac{(\text{Total Transaction Attempts} - \text{Failed Transactions})}{\text{Total Transaction Attempts}} \times 100$$

Service Credit

The following Service Levels and Service Credits are applicable to Cognitive Services APIs:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

Service Level Exceptions: No SLA is provided to free tier or offerings in preview.

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Microsoft Genomics

Additional Definitions:

“**Maximum Available Minutes**” is the total accumulated minutes for all Microsoft Genomics accounts created by Customer and active during a billing month for a given Microsoft Azure Subscription.

“**Downtime**” is the total number of minutes within Maximum Available Minutes during which Microsoft Genomics is unavailable. A minute is considered unavailable if all continuous attempts to send authenticated Genomics service REST API requests throughout the minute either return an Error Code or do not respond with an acknowledgement within the minute.

“**Monthly Uptime Percentage**” for Microsoft Genomics is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Mobile Engagement

Additional Definitions:

“**Average Error Rate**” for a billing month is the sum of Error Rates for each hour in the billing month divided by the total number of hours in the billing month.

“**Error Rate**” is the total number of Failed Requests divided by Total Requests during a given one-hour interval. If the Total Requests in a given one-hour interval is zero, the Error Rate for that interval is 0%.

“**Excluded Requests**” is the set of REST API requests that result in an HTTP 4xx status code, other than an HTTP 408 status code.

“**Failed Requests**” is the set of all requests within Total Requests that either return an Error Code or an HTTP 408 status code or fail to return a Success Code within 30 seconds.

“**Mobile Engagement Application**” is an Azure Mobile Engagement service instance.

“**Total Requests**” is the total number of authenticated REST API requests, other than Excluded Requests, made to Mobile Engagement Applications within a given Azure subscription during a billing month.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$100\% - \text{Average Error Rate}$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

The Free Mobile Engagement tier is not covered by this SLA.

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Mobile Services

Additional Definitions:

“**Failed Transactions**” include any API calls included in Total Transaction Attempts that result in either an Error Code or do not return a Success Code.

“**Total Transaction Attempts**” are the total accumulated API calls made to the Azure Mobile Services during a billing month for a given Microsoft Azure subscription for which the Azure Mobile Services are running.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Total Transaction Attempts} - \text{Failed Transactions}}{\text{Total Transaction Attempts}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

Service Level Exceptions: The Service Levels and Service Credits are applicable to your use of the Standard and Premium Mobile Services tiers. The Free Mobile Services tier is not covered by this SLA.

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Network Watcher

Additional Definitions:

“**Network Diagnostic Tools**” is a collection of network diagnostic and topology tools.

“**Maximum Diagnostic Checks**” is the total number of diagnostic actions performed by the Network Diagnostic Tool as configured by Customer in a billing month for a given Microsoft Azure subscription.

“**Failed Diagnostic Checks**” is the total number of diagnostic actions within Maximum Diagnostic Checks that returns an Error Code or does not return a response within the Maximum Processing Time documented in the table below.

Diagnostic Tool	Maximum Processing Time
IPFlow Verify NextHop Packet Capture Security Group View Topology	2 minutes
VPN Troubleshoot	10 minutes

“**Monthly Uptime Percentage**” is calculated by using the following formula:

$$\frac{\text{Maximum Diagnostic Checks} - \text{Failed Diagnostic Checks}}{\text{Maximum Diagnostic Checks}} \times 100$$

Service Levels:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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RemoteApp

Additional Definitions:

“**Application**” means a software application that is configured for streaming to a device using the RemoteApp Service.

“**Maximum Available Minutes**” is the sum of all User Application Minutes across all Users granted access to one or more Applications in a given Azure subscription during a billing month.

“**User**” means a specific user account that is able to stream an Application using the RemoteApp Service, as enumerated in the Management Portal.

“**User Application Minutes**” is the total number of minutes in a billing month during which you have granted a User access to an Application.

Downtime: The total accumulated User Minutes during which the RemoteApp Service is unavailable. A minute is considered unavailable for a given User when the User is unable to establish connectivity to an Application.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

Service Level Exceptions: The Service Levels and Service Credits are applicable to your use of the RemoteApp Service. The RemoteApp free trial is not covered by this SLA.

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SAP HANA on Azure

Additional Definitions:

“Announced Single Instance Maintenance” means periods of Downtime related to network, hardware, or Service maintenance or upgrades impacting Single Instances. We will publish notice or notify you at least five (5) days prior to the commencement of such Downtime.

“High Availability Pair” refers to two or more identical SAP HANA on Azure large instances deployed in the same region and configured by the customer for system replication at the application layer. Customer must declare the members of a High Availability Pair to Microsoft during the architecture design process.

“SAP HANA on Azure Connectivity” is bi-directional network traffic between the SAP HANA on Azure large instance and other IP addresses using TCP or UDP network protocols in which the instance is configured for allowed traffic. The IP addresses must be IP addresses on the Virtual Network of the associated Azure subscription.

“Single Instance” is defined as any single Microsoft SAP HANA on Azure Large Instance machine that is not deployed in an High Availability Pair.

Monthly Uptime Calculation and Service Levels for SAP HANA on Azure High Availability Pair

“Maximum Available Minutes” is the total accumulated minutes during a billing month for all SAP HANA on Azure instances deployed in the same High Availability Pair. Maximum Available Minutes is measured from when two or more instances in the same High Availability Pair have both been started resultant from an action initiated by Customer to the time Customer has initiated an action that would result in stopping the instances.

“Downtime” is the total accumulated minutes that are part of Maximum Available Minutes that have no SAP HANA on Azure Connectivity.

Monthly Uptime Percentage: The Monthly Uptime Percentage for SAP HANA on Azure High Availability Pair is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit for SAP HANA on Azure High Availability Pair:

Monthly Uptime Percentage	Service Credit
< 99.99%	10%
< 99.9%	25%

Monthly Uptime Calculation and Service Levels for SAP HANA on Azure Single Instance

“Maximum Available Minutes” is the total accumulated minutes for all SAP HANA on Azure Single Instances deployed by Customer during a billing month for a given Microsoft Azure subscription.

“Downtime” is the total accumulated minutes that are part of Maximum Available Minutes that have no SAP HANA on Azure Connectivity. Downtime excludes Announced Single Instance Maintenance.

Monthly Uptime Percentage: The Monthly Uptime Percentage for SAP HANA on Azure Single Instance is calculated using the following formula

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

The following Service Levels and Service Credits are applicable to Customer’s use of SAP HANA on Azure Single Instances:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%
<95%	100%

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Scheduler

Additional Definitions:

“**Maximum Available Minutes**” is the total number of minutes in a billing month.

“**Planned Execution Time**” is a time at which a Scheduled Job is scheduled to begin executing.

“**Scheduled Job**” means an action specified by you to execute within Microsoft Azure according to a specified schedule.

Downtime: The total accumulated minutes in a billing month during which one or more of your Scheduled Jobs is in a state of delayed execution. A given Scheduled Job is in a state of delayed execution if it has not begun executing after a Planned Execution Time, provided that such delayed execution time shall not be considered Downtime if the Scheduled Job begins executing within thirty (30) minutes after a Planned Execution Time.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Search

Additional Definitions:

“**Average Error Rate**” for a billing month is the sum of Error Rates for each hour in the billing month divided by the total number of hours in the billing month.

“**Error Rate**” is the total number of Failed Requests divided by Total Requests, across all Search Service Instances in a given Azure subscription, during a given one-hour interval. If the Total Requests in a one-hour interval is zero, the Error Rate for that interval is 0%.

“**Excluded Requests**” are all requests that are throttled due to exhaustion of resources allocated for a Search Service Instance, as indicated by an HTTP 503 status code and a response header indicating the request was throttled.

“**Failed Requests**” is the set of all requests within Total Requests that fail to return either a Success Code or HTTP 4xx response.

“**Replica**” is a copy of a search index within a Search Service Instance.

“**Search Service Instance**” is an Azure Search service instance containing one or more search indexes.

“**Total Requests**” is the set of (i) all requests to update a Search Service Instance having three or more Replicas, plus (ii) all requests to query a Search Service Instance having two or more Replicas, other than Excluded Requests, within a one-hour interval within a given Azure subscription during a billing month.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$100\% - \text{Average Error Rate}$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

Service Level Exceptions: The Free Search tier is not covered by this SLA.

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Service-Bus Service – Event Hubs

Additional Definitions:

“**Deployment Minutes**” is the total number of minutes that a given Event Hub has been deployed in Microsoft Azure during a billing month.

“**Maximum Available Minutes**” is the sum of all Deployment Minutes across all Event Hubs deployed by you in a given Microsoft Azure subscription under the Basic or Standard Event Hubs tiers during a billing month.

“**Message**” refers to any user-defined content sent or received through Service Bus Relays, Queues, Topics, or Notification Hubs, using any protocol supported by Service Bus.

Downtime: The total accumulated Deployment Minutes, across all Event Hubs deployed by you in a given Microsoft Azure subscription under the Basic or Standard Event Hubs tiers, during which the Event Hub is unavailable. A minute is considered unavailable for a given Event Hub if all continuous attempts to send or receive Messages or perform other operations on the Event Hub throughout the minute either return an Error Code or do not result in a Success Code within five minutes.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes}-\text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

Service Level Exceptions: The Service Levels and Service Credits are applicable to your use of the Basic and Standard Event Hubs tiers. The Free Event Hubs tier is not covered by this SLA.

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Service-Bus Service – Notification Hubs

Additional Definitions:

“**Deployment Minutes**” is the total number of minutes that a given Notification Hub has been deployed in Microsoft Azure during a billing month.

“**Maximum Available Minutes**” is the sum of all Deployment Minutes across all Notification Hubs deployed by you in a given Microsoft Azure subscription under the Basic or Standard Notification Hubs tiers during a billing month.

Downtime: The total accumulated Deployment Minutes, across all Notification Hubs deployed by you in a given Microsoft Azure subscription under the Basic or Standard Notification Hubs tiers, during which the Notification Hub is unavailable. A minute is considered unavailable for a given Notification Hub if all continuous attempts to send notifications or perform registration management operations with respect to the Notification Hub throughout the minute either return an Error Code or do not result in a Success Code within five minutes.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes}-\text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

Service Level Exceptions: The Service Levels and Service Credits are applicable to your use of the Basic and Standard Notification Hubs tiers. The Free Notification Hubs tier is not covered by this SLA.

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Service-Bus Service – Queues and Topics

Additional Definitions:

“**Deployment Minutes**” is the total number of minutes that a given Queue or Topic has been deployed in Microsoft Azure during a billing month.

“**Maximum Available Minutes**” is the sum of all Deployment Minutes across all Queues and Topics deployed by you in a given Microsoft Azure subscription during a billing month.

“**Message**” refers to any user-defined content sent or received through Service Bus Relays, Queues, Topics, or Notification Hubs, using any protocol supported by Service Bus.

Downtime: The total accumulated Deployment Minutes, across all Queues and Topics deployed by you in a given Microsoft Azure subscription, during which the Queue or Topic is unavailable. A minute is considered unavailable for a given Queue or Topic if all continuous attempts to send or receive Messages or perform other operations on the Queue or Topic throughout the minute either return an Error Code or do not result in a Success Code within five minutes.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes}-\text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Service-Bus Service – Relays

Additional Definitions:

“**Message**” refers to any user-defined content sent or received through Service Bus Relays, Queues, or Topics, using any protocol supported by Service Bus.

“**Deployment Minutes**” is the total number of minutes that a given Relay has been deployed in Microsoft Azure during a billing month.

“**Maximum Available Minutes**” is the sum of all Deployment Minutes across all Relays deployed by Customer in a given Microsoft Azure subscription during a billing month.

Downtime: Is the total accumulated Deployment Minutes, across all Relays deployed by Customer in a given Microsoft Azure subscription, during which the Relay is unavailable. A minute is considered unavailable for a given Relay if all continuous attempts to establish a connection to the Relay throughout the minute either return an Error Code or do not result in a Success Code within five minutes.

Monthly Uptime Percentage: The Monthly Uptime percentage for Relays is calculated as Maximum Available Minutes less Downtime divided by Maximum Available Minutes in a billing month for a given Microsoft Azure subscription. Monthly Uptime Percentage is represented by the following formula:

$$\frac{\text{Maximum Available Minutes}-\text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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SQL Data Warehouse Database

Additional Definitions:

“**Database**” means any SQL Data Warehouse Database.

“**Maximum Available Minutes**” is the total number of minutes that a given Database has been deployed in Microsoft Azure during a billing month in a given Microsoft Azure subscription.

“**Client Operations**” is the set of all documented operations supported by SQL Data Warehouse.

Downtime: is the total accumulated minutes during a billing month for a given Microsoft Azure subscription during which a given Database is unavailable. A minute is considered unavailable for a given Database if more than 1% of all Client Operations completed during the minute return an Error Code.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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SQL Database Service (Basic, Standard and Premium Tiers)

Additional Definitions:

“**Database**” means any single or elastic Basic, Standard, or Premium Microsoft Azure SQL Database.

“**Maximum Available Minutes**” is the total number of minutes that a given Database has been deployed in in Microsoft Azure during a billing month in a given Microsoft Azure subscription.

Downtime: is the total accumulated minutes during a billing month for a given Microsoft Azure subscription during which a given Database is unavailable. A minute is considered unavailable for a given Database if all continuous attempts to establish a connection to the Database within the minute fail.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.99%	10%
< 99%	25%

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SQL Database Service (Web and Business Tiers)

Additional Definitions:

“**Database**” means any Web or Business Microsoft Azure SQL Database.

“**Deployment Minutes**” is the total number of minutes that a given Web or Business Database has been deployed in Microsoft Azure during a billing month.

“**Maximum Available Minutes**” is the sum of all Deployment Minutes across all Web and Business Databases for a given Microsoft Azure subscription during a billing month.

Downtime: The total accumulated Deployment Minutes across all Web and Business Databases deployed by you in a given Microsoft Azure subscription during which the Database is unavailable. A minute is considered unavailable for a given Database if all continuous attempts by you to establish a connection to the Database within the minute fail.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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SQL Server Stretch Database

Additional Definitions:

“Database” means one instance of SQL Server Stretch Database.

“Maximum Available Minutes” is the total number of minutes that a given Database has been deployed in a given Microsoft Azure subscription during a billing month.

Downtime: is the total accumulated minutes across all Databases deployed by Customer in a given Microsoft Azure subscription during which the Database is unavailable. A minute is considered unavailable for a given Database if all continuous attempts by Customer to establish a connection to the Database within the minute fail.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Storage Service

Additional Definitions:

“Average Error Rate” for a billing month is the sum of Error Rates for each hour in the billing month divided by the total number of hours in the billing month.

“Blob Storage Account” is a storage account specialized for storing data as blobs and provides the ability to specify an access tier indicating how frequently the data in that account is accessed.

“Cool Access Tier” is an attribute of a Blob Storage Account indicating that the data in the account is infrequently accessed and has a lower availability service level than data in other access tiers.

“Excluded Transactions” are storage transactions that do not count toward either Total Storage Transactions or Failed Storage Transactions. Excluded Transactions include pre-authentication failures; authentication failures; attempted transactions for storage accounts over their prescribed quotas; creation or deletion of containers, file shares, tables, or queues; clearing of queues; and copying blobs or files between storage accounts.

“Error Rate” is the total number of Failed Storage Transactions divided by the Total Storage Transactions during a set time interval (currently set at one hour). If the Total Storage Transactions in a given one-hour interval is zero, the error rate for that interval is 0%.

“Failed Storage Transactions” is the set of all storage transactions within Total Storage Transactions that are not completed within the Maximum Processing Time associated with their respective transaction type, as specified in the table below. Maximum Processing Time includes only the time spent processing a transaction request within the Storage Service and does not include any time spent transferring the request to or from the Storage Service.

Request Types	Maximum Processing Time
PutBlob and GetBlob (includes blocks and pages) Get Valid Page Blob Ranges	Two (2) seconds multiplied by the number of MBs transferred in the course of processing the request
PutFile and GetFile	Two (2) seconds multiplied by the number of MBs transferred in the course of processing the request
Copy Blob	Ninety (90) seconds (where the source and destination blobs are within the same storage account)
CopyFile	Ninety (90) seconds (where the source and destination files are within the same storage account)
PutBlockList	Sixty (60) seconds

Request Types	Maximum Processing Time
GetBlockList	
Table Query List Operations	Ten (10) seconds (to complete processing or return a continuation)
Batch Table Operations	Thirty (30) seconds
All Single Entity Table Operations All other Blob, File, and Message Operations	Two (2) seconds

These figures represent maximum processing times. Actual and average times are expected to be much lower.

Failed Storage Transactions do not include:

1. Transaction requests that are throttled by the Storage Service due to a failure to obey appropriate back-off principles.
2. Transaction requests having timeouts set lower than the respective Maximum Processing Times specified above.
3. Read transactions requests to RA-GRS Accounts for which you did not attempt to execute the request against Secondary Region associated with the storage account if the request to the Primary Region was not successful.
4. Read transaction requests to RA-GRS Accounts that fail due to Geo-Replication Lag.

“Geo Replication Lag” for GRS and RA-GRS Accounts is the time it takes for data stored in the Primary Region of the storage account to replicate to the Secondary Region of the storage account. Because GRS and RA-GRS Accounts are replicated asynchronously to the Secondary Region, data written to the Primary Region of the storage account will not be immediately available in the Secondary Region. You can query the Geo Replication Lag for a storage account, but Microsoft does not provide any guarantees as to the length of any Geo Replication Lag under this SLA.

“Geographically Redundant Storage (GRS) Account” is a storage account for which data is replicated synchronously within a Primary Region and then replicated asynchronously to a Secondary Region. You cannot directly read data from or write data to the Secondary Region associated with GRS Accounts.

“Locally Redundant Storage (LRS) Account” is a storage account for which data is replicated synchronously only within a Primary Region.

“Primary Region” is a geographical region in which data within a storage account is located, as selected by you when creating the storage account. You may execute write requests only against data stored within the Primary Region associated with storage accounts.

“Read Access Geographically Redundant Storage (RA-GRS) Account” is a storage account for which data is replicated synchronously within a Primary Region and then replicated asynchronously to a Secondary Region. You can directly read data from, but cannot write data to, the Secondary Region associated with RA-GRS Accounts.

“Secondary Region” is a geographical region in which data within a GRS or RA-GRS Account is replicated and stored, as assigned by Microsoft Azure based on the Primary Region associated with the storage account. You cannot specify the Secondary Region associated with storage accounts.

“Total Storage Transactions” is the set of all storage transactions, other than Excluded Transactions, attempted within a one-hour interval across all storage accounts in the Storage Service in a given subscription.

“Zone Redundant Storage (ZRS) Account” is a storage account for which data is replicated across multiple facilities. These facilities may be within the same geographical region or across two geographical regions.

Monthly Uptime Percentage: Monthly Uptime Percentage is calculated using the following formula:

$$100\% - \text{Average Error Rate}$$

Service Credit – LRS, ZRS, GRS and RA-GRS (write requests) Accounts:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

Service Credit – RA-GRS (read requests) Accounts:

Monthly Uptime Percentage	Service Credit
< 99.99%	10%
< 99%	25%

Service Credit – LRS, GRS and RA-GRS (write requests) Blob Storage Accounts (Cool Access Tier):

Monthly Uptime Percentage	Service Credit
< 99%	10%
< 98%	25%

Service Credit – RA-GRS (read requests) Blob Storage Accounts (Cool Access Tier):

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 98%	25%

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Stream Analytics – API Calls

Additional Definitions:

“**Total Transaction Attempts**” is the total number of authenticated REST API requests to manage a streaming job within the Stream Analytics Service by Customer during a billing month for a given Microsoft Azure subscription.

“**Failed Transactions**” is the set of all requests within Total Transaction Attempts that return an Error Code or otherwise do not return a Success Code within five minutes from Microsoft’s receipt of the request.

“**Monthly Uptime Percentage**” for API calls within the Stream Analytics Service is represented by the following formula:

$$\text{Monthly Uptime \%} = \frac{\text{Total Transaction Attempts} - \text{Failed Transactions}}{\text{Total Transaction Attempts}}$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Stream Analytics – Jobs

Additional Definitions:

“**Deployment Minutes**” is the total number of minutes that a given job has been deployed within the Stream Analytics Service during a billing month.

“**Maximum Available Minutes**” is the sum of all Deployment Minutes across all jobs deployed by Customer in a given Microsoft Azure subscription during a billing month.

Downtime is the total accumulated Deployment Minutes, across all jobs deployed by Customer in a given Microsoft Azure subscription, during which the job is unavailable. A minute is considered unavailable for a deployed job if the job is neither processing data nor available to process data throughout the minute.

Monthly Uptime Percentage for jobs within the Stream Analytics Service is represented by the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Traffic Manager Service

Additional Definitions:

“**Deployment Minutes**” is the total number of minutes that a given Traffic Manager Profile has been deployed in Microsoft Azure during a billing month.

“**Maximum Available Minutes**” is the sum of all Deployment Minutes across all Traffic Manager Profiles deployed by you in a given Microsoft Azure subscription during a billing month.

“**Traffic Manager Profile**” or “**Profile**” refers to a deployment of the Traffic Manager Service created by you containing a domain name, endpoints, and other configuration settings, as represented in the Management Portal.

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“Valid DNS Response” means a DNS response, received from at least one of the Traffic Manager Service name server clusters, to a DNS request for the domain name specified for a given Traffic Manager Profile.

Downtime: The total accumulated Deployment Minutes, across all Profiles deployed by you in a given Microsoft Azure subscription, during which the Profile is unavailable. A minute is considered unavailable for a given Profile if all continual DNS queries for the DNS name specified in the Profile that are made throughout the minute do not result in a Valid DNS Response within two seconds.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes-Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.99%	10%
< 99%	25%

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Virtual Machines

Additional Definitions:

“Announced Single Instance Maintenance” means periods of Downtime related to network, hardware, or Service maintenance or upgrades impacting Single Instances. We will publish notice or notify you at least five (5) days prior to the commencement of such Downtime.

“Availability Set” refers to two or more Virtual Machines deployed across different Fault Domains to avoid a single point of failure.

“Availability Zone” is a fault-isolated area within an Azure region, providing redundant power, cooling, and networking.

“Data Disk” is a persistent virtual hard disk, attached to a Virtual Machine, used to store application data.

“Fault Domain” is a collection of servers that share common resources such as power and network connectivity.

“Operating System Disk” is a persistent virtual hard disk, attached to a Virtual Machine, used to store the Virtual Machine’s operating system.

“Single Instance” is defined as any single Microsoft Azure Virtual Machine that either is not deployed in an Availability Set or has only one instance deployed in an Availability Set.

“Virtual Machine” refers to persistent instance types that can be deployed individually or as part of an Availability Set.

“Virtual Machine Connectivity” is bi-directional network traffic between the Virtual Machine and other IP addresses using TCP or UDP network protocols in which the Virtual Machine is configured for allowed traffic. The IP addresses can be IP addresses in the same Cloud Service as the Virtual Machine, IP addresses within the same virtual network as the Virtual Machine or public, routable IP addresses.

Monthly Uptime Calculation and Service Levels for Virtual Machines in Availability Zones

“Maximum Available Minutes” is the total accumulated minutes during a billing month that have two or more instances deployed across two or more Availability Zones in the same region. Maximum Available Minutes is measured from when at least two Virtual Machines across two Availability Zones in the same region have both been started resultant from action initiated by Customer to the time Customer has initiated an action that would result in stopping or deleting the Virtual Machines.

“Downtime” is the total accumulated minutes that are part of Maximum Available Minutes that have no Virtual Machine Connectivity in the region.

“Monthly Uptime Percentage” for Virtual Machines in Availability Zones is calculated as Maximum Available Minutes less Downtime divided by Maximum Available Minutes in a billing month for a given Microsoft Azure subscription. Monthly Uptime Percentage is represented by the following formula:

$$\text{Monthly Uptime \%} = \frac{(\text{Maximum Available Minutes-Downtime})}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

The following Service Levels and Service Credits are applicable to Customer’s use of Virtual Machines deployed across two or more Availability Zones in the same region:

Monthly Uptime Percentage	Service Credit
< 99.99%	10%
< 99%	25%
< 95%	100%

Monthly Uptime Calculation and Service Levels for Virtual Machines in an Availability Set

Maximum Available Minutes: The total accumulated minutes during a billing month for all Internet facing Virtual Machines that have two or more instances deployed in the same Availability Set. Maximum Available Minutes is measured from when at least two Virtual Machines in the same Availability Set have both been started resultant from action initiated by you to the time you have initiated an action that would result in stopping or deleting the Virtual Machines.

Downtime: The total accumulated minutes that are part of Maximum Available Minutes that have no Virtual Machine Connectivity.

Monthly Uptime Percentage: for Virtual Machines is calculated as Maximum Available Minutes less Downtime divided by Maximum Available Minutes in a billing month for a given Microsoft Azure subscription. Monthly Uptime Percentage is represented by the following formula:

$$\text{Monthly Uptime \%} = \frac{(\text{Maximum Available Minutes} - \text{Downtime})}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

The following Service Levels and Service Credits are applicable to Customer’s use of Virtual Machines in an Availability Set:

Monthly Uptime Percentage	Service Credit
< 99.95%	10%
< 99%	25%
< 95%	100%

Monthly Uptime Calculation and Service Levels for Single-Instance Virtual Machines

“Minutes in the Month” is the total number of minutes in a given month.

Downtime: is the total accumulated minutes that are part of Minutes in the Month that have no Virtual Machine Connectivity. Downtime excludes Announced Single Instance Maintenance.

Monthly Uptime Percentage: is calculated by subtracting from 100% the percentage of Minutes in the Month in which any Single Instance Virtual Machine using premium storage for all Operating System Disks and Data Disks had Downtime.

$$\text{Monthly Uptime \%} = \frac{(\text{Minutes in the Month} - \text{Downtime})}{\text{Minutes in the Month}} \times 100$$

Service Credit:

The following Service Levels and Service Credits are applicable to Customer’s use of Single-Instance Virtual Machines:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%
< 95%	100%

VPN Gateway

Additional Definitions:

“**Maximum Available Minutes**” is the total accumulated minutes during a billing month which a given VPN Gateway has been deployed in a Microsoft Azure subscription.

“**Virtual Network**” refers to a virtual private network that includes a collection of user-defined IP addresses and subnets that form a network boundary within Microsoft Azure.

“**VPN Gateway**” refers to a gateway that facilitates cross-premises connectivity between a Virtual Network and a customer on-premises network.

Downtime: Is the total accumulated Maximum Available Minutes during which a VPN Gateway is unavailable. A minute is considered unavailable if all attempts to connect to the VPN Gateway within a thirty-second window within the minute are unsuccessful.

Monthly Uptime Percentage: The Monthly Uptime Percentage for a given VPN Gateway is calculated as Maximum Available Minutes less Downtime divided by the Maximum Available Minutes in a billing month for the VPN Gateway. The Uptime Percentage is represented by the following formula:

$$\frac{\text{Maximum Available Minutes}-\text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

The following Service Levels and Service Credits are applicable to Customer’s use of each VPN Gateway:

Basic Gateway for VPN or ExpressRoute Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

Standard, High Performance, VpnGw1, VpnGw2, Gateway for VPN / Standard, High Performance, Ultra Performance Gateway for ExpressRoute Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.95%	10%
< 99%	25%

Visual Studio App Center Build Service

Additional Definitions:

“**Build Service**” is a feature that allows customers to build their mobile applications in Visual Studio App Center.

“**Maximum Available Minutes**” is the total number of minutes for which Build Service has been deployed by Customer for a given Microsoft Azure subscription during a billing month.

“**Downtime**” is the total number of minutes within Maximum Available Minutes during which the Build Service is unavailable. A minute is considered unavailable if all continuous HTTP requests to the Build Service to perform operations initiated by Customer throughout the minute either result in an Error Code or do not return a response within one minute.

Monthly Uptime Percentage: The Monthly Uptime Percentage for the Visual Studio App Center Build Service is calculated as Maximum Available Minutes less Downtime divided by Maximum Available Minutes multiplied by 100. Monthly Uptime Percentage is represented by the following formula:

$$\frac{\text{Maximum Available Minutes}-\text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

The following Service Levels and Service Credits are applicable to Customer’s use of the Visual Studio App Center Build Service. Free tier service is not covered by this SLA.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

Visual Studio App Center Test Service

Additional Definitions:

“**Test Service**” is a feature that allows customers to upload and run tests for their mobile applications on physical devices running in Visual Studio App Center.

“**Maximum Available Minutes**” is the total number of minutes for which Test Service has been deployed by Customer for a given Microsoft Azure subscription during a billing month.

Downtime: The total number of minutes within Maximum Available Minutes during which the Test Service is unavailable. A minute is considered unavailable if all continuous HTTP requests to the Test Service to perform operations initiated by Customer throughout the minute either result in an Error Code or do not return a response within one minute.

Monthly Uptime Percentage: The Monthly Uptime Percentage for the Visual Studio App Center Test Service is calculated as Maximum Available Minutes less Downtime divided by Maximum Available Minutes multiplied by 100. Monthly Uptime Percentage is represented by the following formula:

$$\frac{\text{Maximum Available Minutes-Downtime}}{\text{Maximum Available Minutes}} \times 100$$

The following Service Levels and Service Credits are applicable to Customer’s use of the Visual Studio App Center Test Service. Free tier service is not covered by this SLA.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Visual Studio App Center Push Notification Service

Additional Definitions:

“**Push Notification Service**” is a feature that enables customers to push messages to specific devices configured to receive such messages using Visual Studio App Center.

“**Maximum Available Minutes**” is the total number of minutes for which Push Notification Service has been deployed by Customer for a given Microsoft Azure subscription during a billing month.

Downtime: The total number of minutes within Maximum Available Minutes during which Push Notification Service is unavailable. A minute is considered unavailable if all continuous HTTP requests to Push Notification Service to perform operations initiated by Customer throughout the minute either result in an Error Code or do not return a response within one minute.

Monthly Uptime Percentage: The Monthly Uptime Percentage for the Visual Studio App Center Push Notification Service is calculated as Maximum Available Minutes less Downtime divided by Maximum Available Minutes multiplied by 100. Monthly Uptime Percentage is represented by the following formula:

$$\frac{\text{Maximum Available Minutes-Downtime}}{\text{Maximum Available Minutes}} \times 100$$

The following Service Levels and Service Credits are applicable to Customer’s use of the Visual Studio App Center Push Notification Service. Free tier service is not covered by this SLA.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Visual Studio Team Services – Build Service

Additional Definitions:

“**Build Service**” is a feature that allows customers to build their applications in Visual Studio Team Services.

“**Maximum Available Minutes**” is the total number of minutes for which the paid Build Service has been enabled for a given Microsoft Azure subscription during a billing month.

Downtime: The total accumulated minutes for a given Microsoft Azure subscription during which the Build Service is unavailable. A minute is considered unavailable if all continuous HTTP requests to the Build Service to perform operations initiated by you throughout the minute either result in an Error Code or do not return a response.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes-Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Visual Studio Team Services – Load Testing Service

Additional Definitions:

“**Load Testing Service**” is a feature that allows customers to generate automated tasks to test the performance and scalability of applications.

“**Maximum Available Minutes**” is the total number of minutes for which the paid Load Testing Service has been enabled for a given Microsoft Azure subscription during a billing month.

Downtime: The total accumulated minutes for a given Microsoft Azure subscription during which the Load Testing Service is unavailable. A minute is considered unavailable if all continuous HTTP requests to the Load Testing Service to perform operations initiated by you throughout the minute either result in an Error Code or do not return a response.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Visual Studio Team Services – User Plans Service

Additional Definitions:

“**Build Service**” is a feature that allows customers to build their applications in Visual Studio Team Services.

“**Deployment Minutes**” is the total number of minutes for which a User Plan has been purchased during a billing month.

“**Load Testing Service**” is a feature that allows customers to generate automated tasks to test the performance and scalability of applications.

“**Maximum Available Minutes**” is the sum of all Deployment Minutes across all User Plans for a given Microsoft Azure subscription during a billing month.

“**User Plan**” refers to the set of features and capabilities selected for a user within a Visual Studio Team Services account in a Customer subscription. User Plan options and the features and capabilities per User Plan are described on the <http://www.visualstudio.com> website.

Downtime: The total accumulated Deployment Minutes, across all User Plans for a given Microsoft Azure subscription, during which the User Plan is unavailable. A minute is considered unavailable for a given User Plan if all continuous HTTP requests to perform operations, other than operations pertaining to the Build Service or the Load Testing Service, throughout the minute either result in an Error Code or do not return a response.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Microsoft Azure Plans

Azure Active Directory Basic

Downtime: Any period of time when users are not able to log in to the service, log in to the Access Panel, access applications on the Access Panel and reset passwords; or any period of time IT administrators are not able to create, read, write and delete entries in the directory and/or provision/de-provision users to applications in the directory.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

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Azure Active Directory B2C

Additional Definitions:

“Deployment Minutes” is the total number of minutes for which an Azure AD B2C directory has been deployed during a billing month.

“Maximum Available Minutes” is the sum of all Deployment Minutes across all Azure AD B2C directories in a given Microsoft Azure subscription during a billing month.

Downtime: is the total accumulated minutes across all Azure AD B2C directories deployed by Customer in a given Microsoft Azure subscription during which the Azure AD B2C service is unavailable. A minute is considered unavailable if either all attempts to process user sign-up, sign-in, profile editing, password reset and multi-factor authentication requests, or all attempts by developers to create, read, write and delete entries in a directory, fails to return tokens or valid Error Codes, or do not return responses within two minutes.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

Service Level Exceptions: No SLA is provided for the Free tier of Azure Active Directory B2C.

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Azure Active Directory Premium

Downtime: Any period of time when users are not able to log in to the service, log in to the Access Panel, access applications on the Access Panel and reset passwords; or any period of time IT administrators are not able to create, read, write and delete entries in the directory and/or provision/de-provision users to applications in the directory.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

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Azure Information Protection Premium

Downtime: Any period of time when end users cannot create or consume IRM documents and email.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

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Azure Site Recovery Service – On-Premises-to-Azure

Additional Definitions:

“Failover” is the process of transferring control, either simulated or actual, of a Protected Instance from a primary site to a secondary site.

“On-Premises-to-Azure Failover” is the Failover of a Protected Instance from a non-Azure primary site to an Azure secondary site. You may designate a particular Azure datacenter as a secondary site, provided that if Failover to the designated datacenter is not possible, Microsoft may replicate to a different datacenter in the same region.

“Protected Instance” refers to a virtual or physical machine configured for replication by the Azure Site Recovery Service from a primary site to a secondary site. Protected Instances are enumerated in the Protected Items tab in the Recovery Services section of the Management Portal.

“Recovery Time Objective (RTO)” means the period of time beginning when you initiate a Failover of a Protected Instance experiencing either a planned or unplanned outage for On-Premises-to-Azure replication to the time when the Protected Instance is running as a virtual machine in Microsoft Azure, excluding any time associated with manual action or the execution of your scripts.

“Monthly Recovery Time Objective”: For a specific Protected Instance configured for On-Premises-to-Azure replication in a given billing month is two hours.

Service Credit:

Monthly Recovery Time Objective	Service Credit
> 2 hours	100%

Additional Terms: Monthly Recovery Time Objective and Service Credits are calculated for each Protected Instance used by you.

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Azure Site Recovery Service – On-Premises-to-On-Premises

Additional Definitions:

“**Failover**” is the process of transferring control, either simulated or actual, of a Protected Instance from a primary site to a secondary site.

“**Failover Minutes**” is the total number of minutes in a billing month during which a Failover of a Protected Instance configured for On-Premises-to-On-Premises replication has been attempted but not completed.

“**Maximum Available Minutes**” is the total number of minutes that a given Protected Instance has been configured for On-Premises-to-On-Premises replication by the Azure Site Recovery Service during a billing month.

“**On-Premises-to-On-Premises Failover**” is the Failover of a Protected Instance from a non-Azure primary site to a non-Azure secondary site.

“**Protected Instance**” refers to a virtual or physical machine configured for replication by the Azure Site Recovery Service from a primary site to a secondary site. Protected Instances are enumerated in the Protected Items tab in the Recovery Services section of the Management Portal.

Downtime: Is the total accumulated Failover Minutes in which the Failover of a Protected Instance is unsuccessful due to unavailability of the Azure Site Recovery Service, provided that retries are continually attempted no less frequently than once every thirty minutes.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes}-\text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

Additional Terms: Monthly Recovery Time Objective and Service Credits are calculated for each Protected Instance used by you.

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Multi-Factor Authentication Service

Additional Definitions:

“**Deployment Minutes**” is the total number of minutes that a given Multi-Factor Authentication provider has been deployed in Microsoft Azure during a billing month.

“**Maximum Available Minutes**” is the sum of all Deployment Minutes across all Multi-Factor Authentication providers deployed by you in a given Microsoft Azure subscription during a billing month.

Downtime: The total accumulated Deployment Minutes, across all Multi-Factor Authentication providers deployed by you in a given Microsoft Azure subscription, during which the Multi-Factor Authentication Service is unable to receive or process authentication requests for the Multi-Factor Authentication provider.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes}-\text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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StorSimple Service

Additional Definitions:

“**Backup**” is the process of backing up data stored on a registered StorSimple device to one or more associated cloud storage accounts within Microsoft Azure.

“**Cloud Tiering**” is the process of transferring data from a registered StorSimple device to one or more associated cloud storage accounts within Microsoft Azure.

“**Deployment Minutes**” is the total number of minutes during which a Managed Item has been configured by Customer for Backup or Cloud Tiering to a StorSimple storage account in Microsoft Azure.

“**Failure**” means the inability to fully complete a properly configured Backup, Tiering, or Restoring operation due to unavailability of the StorSimple Service.

“**Managed Item**” refers to a volume that has been configured to Backup to the cloud storage accounts using the StorSimple Service.

“**Maximum Available Minutes**” is the sum of all Deployment Minutes across all Managed Items for a given Microsoft Azure subscription during a billing month.

“**Restoring**” is the process of copying data to a registered StorSimple device from its associated cloud storage account(s).

Downtime: The total number of minutes within Maximum Available Minutes during which the StorSimple Service is unavailable for the Managed Item. The StorSimple Service is considered unavailable for a given Managed Item from the first Failure of a Backup, Cloud Tiering, or Restoring operation with respect to the Managed Item until the initiation of a successful Backup, Cloud Tiering, or Restoring operation of the Managed Item, provided that retries are continually attempted no less frequently than once every thirty minutes.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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StorSimple Data Manager

Additional Definitions:

“**Total Requests**” is the set of all requests, other than Excluded Requests, to perform operations against StorSimple Data Manager service during a billing month for a given Microsoft Azure subscription.

“**Excluded Requests**” is the set of requests that result in an HTTP 4xx status code.

“**Failed Requests**” is the set of all requests within Total Requests that either return an Error Code or fail to return a Success Code within 60 seconds.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Total Requests} - \text{Failed Requests}}{\text{Total Requests}} \times 100$$

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Other Online Services

Bing Maps Enterprise Platform

Downtime: Any period of time when the Service is not available as measured in Microsoft’s data centers, provided that you access the Service using the methods of access, authentication and tracking methods documented in the Bing Maps Platform SDKs.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Total number of minutes in a month} - \text{Downtime}}{\text{Total number of minutes in a month}} \times 100$$

where Downtime is measured as the total number of minutes during the month when the aspects of the Service set forth above are unavailable.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

Service Level Exceptions: This SLA does not apply to Bing Maps Enterprise Platform purchased through Open Value and Open Value Subscription volume licensing agreements.

Service Credits will not apply if: (i) you fail to implement any Services updates within the time specified in the Bing Maps Platform API's Terms of Use; and (ii) you do not provide Microsoft with at least ninety (90) days' advance notice of any known significant usage volume increase, with significant usage volume increase defined as 50% or more of the previous month's usage.

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Bing Maps Mobile Asset Management

Downtime: Any period of time when the Service is not available as measured in Microsoft's data centers, provided that you access the Service using the methods of access, authentication and tracking methods documented in the Bing Maps Platform SDKs.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Total number of minutes in a month} - \text{Downtime}}{\text{Total number of minutes in a month}} \times 100$$

where Downtime is measured as the total number of minutes during the month when the aspects of the Service set forth above are unavailable.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

Service Level Exceptions: This SLA does not apply to Bing Maps Enterprise Platform purchased through Open Value and Open Value Subscription volume licensing agreements.

Service Credits will not apply if: (i) you fail to implement any Services updates within the time specified in the Bing Maps Platform API's Terms of Use; and (ii) you do not provide Microsoft with at least ninety (90) days' advance notice of any known significant usage volume increase, with significant usage volume increase defined as 50% or more of the previous month's usage.

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Microsoft Cloud App Security

Downtime: Any period of time when the Customer's IT administrator or users authorized by Customer are unable to log on with proper credentials. Scheduled Downtime will not exceed 10 hours per calendar year.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

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Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

Service Level Exceptions: This Service Level does not apply to any: (i) On-premises software licensed as part of the Service subscription, or (ii) Internet-based services (excluding Microsoft Cloud App Security) that provide updates via API (application programming interface) to any services licensed as part of the Service subscription.

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Microsoft Flow

Downtime: Any period of time when users' flows have no connectivity to Microsoft's Internet gateway.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Total number of minutes in a month} - \text{Downtime}}{\text{Total number of minutes in a month}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

Service Level Exceptions: No SLA is provided for any free of charge tier of Microsoft Flow.

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Microsoft Intune

Downtime: Any period of time when the Customer's IT administrator or users authorized by Customer are unable to log on with proper credentials. Scheduled Downtime will not exceed 10 hours per calendar year.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

Service Level Exceptions: This Service Level does not apply to any: (i) On-premises software licensed as part of the Service subscription, or (ii) Internet-based services (excluding Microsoft Intune Service) that provide updates to any on-premise software licensed as part of the Service subscription.

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Microsoft PowerApps

Downtime: Any period of time when users are unable to read or write any portion of data in Microsoft PowerApps to which they have appropriate permissions.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Total number of minutes in a month} - \text{Downtime}}{\text{Total number of minutes in a month}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

Service Level Exceptions: No SLA is provided for any free of charge tier of Microsoft PowerApps.

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Microsoft Stream

Downtime: Any period of time when users are unable to upload, playback, delete video or edit video metadata when they have appropriate permissions and content is valid excluding unsupported scenarios¹.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{User Minutes} - \text{Downtime}}{\text{User Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Level Commitment:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

Service Level Exceptions: No SLA is provided for any free of charge tier of Microsoft Stream.

¹Unsupported Scenarios could include playback on unsupported devices / OS, client side network issues, and user errors.

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Minecraft: Education Edition

Downtime: Any period of time when users are unable to access Minecraft: Education Edition.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Total number of minutes in a month} - \text{Downtime}}{\text{Total number of minutes in a month}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

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Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

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Power BI Embedded

Deployment Minutes: is the total number of minutes for which a given workspace collection has been provisioned during a billing month.

Maximum Available Minutes: is the sum of all Deployment Minutes across all workspace collections provisioned by a customer in a given Microsoft Azure subscription during a billing month.

Downtime: is the total accumulated Deployment Minutes, during which the workspace collection is unavailable. A minute is considered unavailable for a given workspace collection if all continuous attempts within the minute to read or write any portion of Power BI Embedded data result in an Error Code or do not return a response within five minutes.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Power BI Premium

“Capacity” means a named capacity provisioned by an admin through the Power BI Premium capacity admin portal. A Capacity is a grouping of one or more nodes.

“Maximum Available Minutes” is the total number of minutes that a given Capacity has been instantiated during a billing month in a given tenant.

Downtime: The total accumulated minutes during a billing month for a given Capacity during which a given Capacity is unavailable. A minute is considered unavailable for a given Capacity if all attempts to view Power BI reports or dashboards within the minute fail due to system errors.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

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Power BI Pro

Downtime: Any period of time when users are unable to read or write any portion of Power BI data to which they have appropriate permissions.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Total number of minutes in a month} - \text{Downtime}}{\text{Total number of minutes in a month}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

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Translator API

Downtime: Any period of time when users are not able to perform translations.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Total number of minutes in a month} - \text{Downtime}}{\text{Total number of minutes in a month}} \times 100$$

where Downtime is measured as the total number of minutes during the month when the aspects of the Service set forth above are unavailable.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	25%
< 99%	50%
< 95%	100%

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Windows Desktop Operating System

Additional Definitions:

“Maximum Available Minutes” is the total accumulated minutes during a billing month for Windows Defender Advanced Threat Protection portal. Maximum Available Minutes is measured from when the Tenant has been created resultant from successful completion of the on-boarding process.

“Tenant” represents Windows Defender Advanced Threat Protection customer specific cloud environment.

Downtime: The total accumulated minutes that are part of Maximum Available Minutes in which the Customer unable to access any portion of a Windows Defender Advanced Threat Protection portal site collections for which they have appropriate permissions and customer has a valid, active, license.

Monthly Uptime Percentage: The Monthly Uptime Percentage is calculated using the following formula:

$$\frac{\text{Maximum Available Minutes} - \text{Downtime}}{\text{Maximum Available Minutes}} \times 100$$

where Downtime is measured in user-minutes; that is, for each month, Downtime is the sum of the length (in minutes) of each Incident that occurs during that month multiplied by the number of users impacted by that Incident.

Service Credit:

Monthly Uptime Percentage	Service Credit
< 99.9%	10%
< 99%	25%

Service Level Exceptions: This SLA does not apply to any trial/preview version Tenants.

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Appendix A – Service Level Commitment for Virus Detection and Blocking, Spam Effectiveness, or False Positive

With respect to Exchange Online and EOP licensed as a standalone Service or via ECAL suite, or Exchange Enterprise CAL with Services, you may be eligible for Service Credits if we do not meet the Service Level described below for: (1) Virus Detection and Blocking, (2) Spam Effectiveness, or (3) False Positive. If any one of these individual Service Levels is not met, you may submit a claim for a Service Credit. If one Incident causes us to fail more than one SLA metric for Exchange Online or EOP, you may only make one Service Credit claim for that incident per Service.

1. Virus Detection and Blocking Service Level

- a. "Virus Detection and Blocking" is defined as the detection and blocking of Viruses by the filters to prevent infection. "Viruses" is broadly defined as known malware, which includes viruses, worms, and Trojan horses.
- b. A Virus is considered known when widely used commercial virus scanning engines can detect the virus and the detection capability is available throughout the EOP network.
- c. Must result from a non-purposeful infection.
- d. The Virus must have been scanned by the EOP virus filter.
- e. If EOP delivers an email that is infected with a known virus to you, EOP will notify you and work with you to identify and remove it. If this results in the prevention of an infection, you won't be eligible for a Service Credit under the Virus Detection and Blocking Service Level.
- f. The Virus Detection and Blocking Service Level shall not apply to:
 - i. Forms of email abuse not classified as malware, such as spam, phishing and other scams, adware, and forms of spyware, which due to its targeted nature or limited use is not known to the anti-virus community and thus not tracked by anti-virus products as a virus.
 - ii. Corrupt, defective, truncated, or inactive viruses contained in NDRs, notifications, or bounced emails.
- g. The Service Credit available for the Virus Detection and Blocking Service is: 25% Service Credit of Applicable Monthly Service Fee if an infection occurs in a calendar month, with a maximum of one claim allowed per calendar month.

2. Spam Effectiveness Service Level

- a. "Spam Effectiveness" is defined as the percentage of inbound spam detected by the filtering system, measured on a daily basis.
- b. Spam effectiveness estimates exclude false negatives to invalid mailboxes.
- c. The spam message must be processed by our service and not be corrupt, malformed, or truncated.
- d. The Spam Effectiveness Service Level does not apply to email containing a majority of non-English content.
- e. You acknowledge that classification of spam is subjective and accept that we will make a good faith estimation of the spam capture rate based on evidence timely supplied by you.
- f. The Service Credit available for the Spam Effectiveness Service is:

% of Calendar Month that Spam Effectiveness is below 99%	Service Credit
>25%	25%
> 50%	50%
100%	100%

3. False Positive Service Level

- a. "False Positive" is defined as the ratio of legitimate business email incorrectly identified as spam by the filtering system to all email processed by the service in a calendar month.
- b. Complete, original messages, including all headers, must be reported to the abuse team.
- c. Applies to email sent to valid mailboxes only.
- d. You acknowledge that classification of false positives is subjective and understand that we will make a good faith estimation of the false positive ratio based on evidence timely supplied by you.
- e. This False Positive Service Level shall not apply to:
 - i. bulk, personal, or pornographic email
 - ii. email containing a majority of non-English content
 - iii. email blocked by a policy rule, reputation filtering, or SMTP connection filtering
 - iv. email delivered to the junk folder
- f. The Service Credit available for the False Positive Service is:

False Positive Ratio in a Calendar Month	Service Credit
> 1:250,000	25%
> 1:10,000	50%
> 1:100	100%

Appendix B - Service Level Commitment for Uptime and Email Delivery

With respect to EOP licensed as a standalone Service, ECAL suite, or Exchange Enterprise CAL with Services, you may be eligible for Service Credits if we do not meet the Service Level described below for (1) Uptime and (2) Email Delivery.

1. **Monthly Uptime Percentage:**

If the Monthly Uptime Percentage for EOP falls below 99.999% for any given month, you may be eligible for the following Service Credit:

Monthly Uptime Percentage	Service Credit
<99.999%	25%
<99.0%	50%
<98.0%	100%

2. **Email Delivery Service Level:**

- a. "Email Delivery Time" is defined as the average of email delivery times, measured in minutes over a calendar month, where email delivery is defined as the elapsed time from when a business email enters the EOP network to when the first delivery attempt is made.
- b. Email Delivery Time is measured and recorded every 5 minutes, then sorted by elapsed time. The fastest 95% of measurements are used to create the average for the calendar month.
- c. We use simulated or test emails to measure delivery time.
- d. The Email Delivery Service Level applies only to legitimate business email (non-bulk email) delivered to valid email accounts.
- e. This Email Delivery Service Level does not apply to:
 - 1. Delivery of email to quarantine or archive
 - 2. Email in deferral queues
 - 3. Denial of service attacks (DoS)
 - 4. Email loops
- f. The Service Credit available for the Email Delivery Service is:

Average Email Delivery Time (as defined above)	Service Credit
> 1	25%
> 4	50%
> 10	100%

Appendix 14
AudioCodes 450HD Quick Reference Guide

AudioCodes 450HD IP Phone with Microsoft® Skype™ for Business

Quick Guide

1. Before Installing

Congratulations on purchasing your **AudioCodes 450HD IP Phone**! Note: Skype for Business (SfB) also applies to Lync™. Before setup, make sure the following items are included in the shipped box:

- ✓ 450HD IP Phone
- ✓ AC power adapter (optional)
- ✓ Cat 5e Ethernet cable
- ✓ Handset
- ✓ Handset cord
- ✓ Desktop stand
- ✓ Wall mount

2. Physical Description



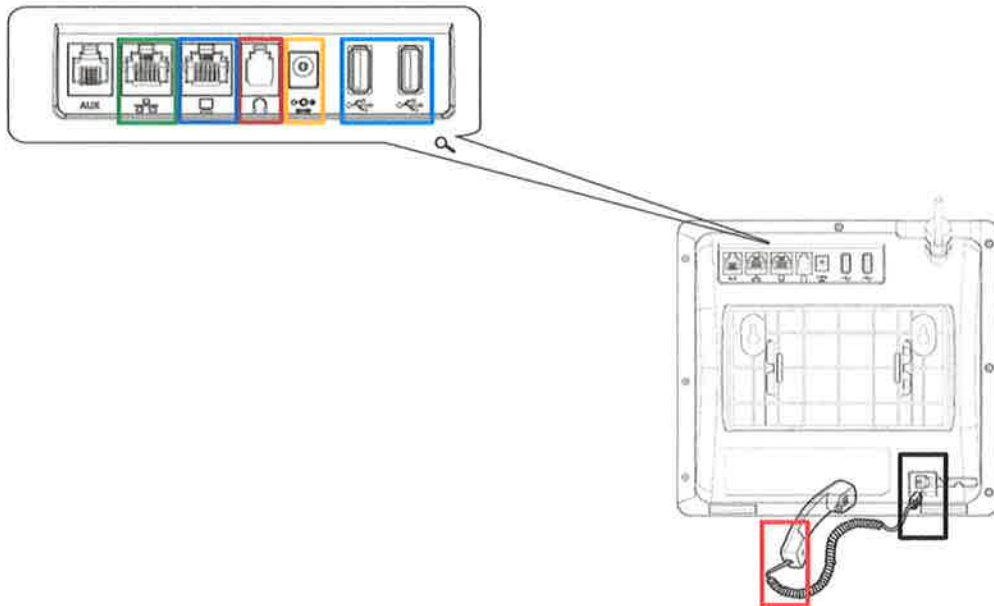
3. Cabling the Phone



Warning: Prior to connecting power, refer to the *Compliance and Regulatory Information* document at <https://www.audiocodes.com/library/technical-documents>.

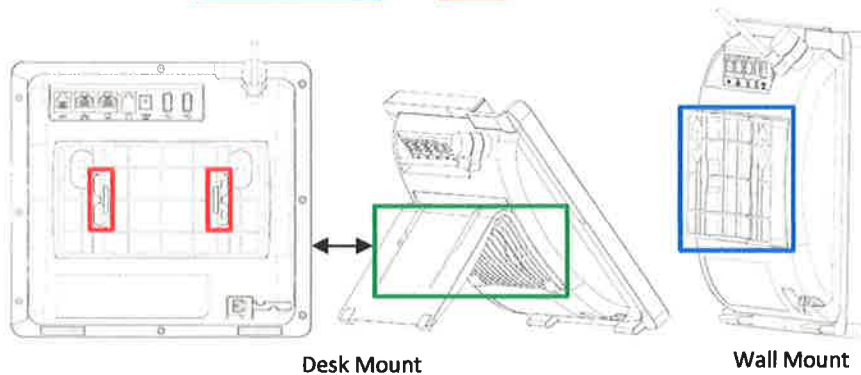
☛ To cable the phone:

1. [Refer to the illustration below] Connect the **short, straight end** of the phone cord to the handset and the **longer straight end** of the cord to the handset jack on the phone.
2. (Optional) Connect a headset to the **RJ-9 headset port**, or to one of the two **USB ports**.
3. Connect the **RJ-45 LAN port** to your LAN network (LAN port or LAN switch/router) with a CAT 5 / 5e Ethernet cable.
4. Connect the **RJ-45 PC port** to a computer with a CAT 5 / 5e straight-through Ethernet cable.
5. Connect the connector tip of the AC power adapter to the phone's **DC 12V power socket** and connect the two-prong AC adapter directly to the electrical wall outlet. When the phone powers up, all the LEDs momentarily light up.



Mounting the Phone on a Desktop or Wall

- ✓ **Desktop:** Slide the L-shaped stand's short or long edge **slots** onto **these** rails.
- ✓ **Wall:** Slide the **wall mount fitting** onto **these** rails.



4. Signing in

- ☞ **To sign into the phone via the SfB client when using BtoE:**
See the *450HD IP Phone User's Manual*.

- ☞ **To sign in with phone number and PIN (default method):**

1. Touch the **SIGN IN** menu (in the phone's idle screen).
2. Enter your phone number and then the PIN, and touch **Sign in**.



- ☞ **To sign in with your username and password:**

1. Touch the **SIGN IN** menu (in the idle screen), touch **Sign-in method** and press the left or right rim of the navigation control to select **Password**.
2. Enter your sign-in address (SIP address). Press the phone's **1** key to enter a period/fullstop. To enter **@** or **-**, repeat-press **1** until the symbol is displayed. Touch the **CLEAR** menu to edit.
3. Press the lower rim of the navigation control to scroll down, and enter your domain\username, e.g., company\alan. Repeat-press the phone's **1** key until the symbol **** is displayed.
4. Scroll down and enter your user password (get your Windows credentials from IT), and touch **SIGN IN**.

- ☞ **To sign out:** Touch the **STATUS** menu when the phone is idle, and then touch **SIGN OUT**.

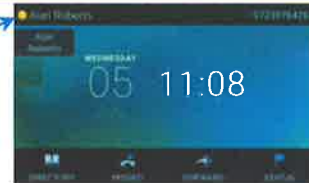


Note: Some Skype for Business features are supported only when signing in with username and password, e.g., Calendar.

5. Changing your Presence Status

- ☛ **To change your presence:** Touch the **STATUS** menu, then touch the presence option you need, and then touch the **SELECT** menu.
- ☛ **To set the Sfb server to automatically update your presence:** Touch the **STATUS** menu and navigate to and select **Reset**.

Presence



6. Basic Phone Operations

- ☛ **To make a call:** Enter a phone number and then touch the **DIAL** menu. To call a phone contact, touch the **DIRECTORY** menu, select the directory contact and then touch the **DIAL** menu.
- ☛ **To redial a number:** Press the **REDIAL** key, select a dialed number, and then touch the **DIAL** menu.
- ☛ **To answer a call:** Pick up the handset, or press the speaker or headset key.
- ☛ **To put a call on hold and make another call:** Press the **HOLD** key on the phone, touch the **CALL MENU** and select **New Call**. Enter a phone number and then press **DIAL**. To return to the held call, navigate to the held call and uncheck the **HOLD** touch menu.
- ☛ **To mute yourself:** Press the mute key. To unmute yourself, press the mute key again.
- ☛ **To transfer a call:** During a call, press the **TRANSFER** key on the phone, enter a number in the **Transfer to...** field and then press the **TRANSFER** touch menu.
- ☛ **To forward incoming calls to another phone:**
 1. When the phone is idle, touch the **FORWARD** menu and then touch **Forward to a number**.
 2. Enter the number to which you want to forward the calls, and then touch the **START** menu. To deactivate call forwarding, touch the **FORWARD** menu and select **Do not forward calls**.

Notice Information

Information contained in this document is believed to be accurate and reliable at the time of printing. However, due to ongoing product improvements and revisions, AudioCodes cannot guarantee accuracy of printed material after the Date Published nor can it accept responsibility for errors or omissions. Updates to this document can be downloaded from <https://www.audiocodes.com/library/technical-documents>.

This document is subject to change without notice.

Date Published: Mar-21-2018

Document #: LTRT-12824





Appendix 15

AudioCodes 405HD User Manual

(Due to file size, this has been provided on the enclosed CD)



Appendix 16
Sample C1 IT Training

SKYPE FOR BUSINESS SERVICE DESK TRAINING

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SERVICE DESK TRAINING AGENDA

- > Skype for Business User Management
 - > Moves
 - > Adds
 - > Changes
- > Skype for Business Sign in process
 - > Lyncdiscover
 - > Legacy
- > Skype for Business Troubleshooting steps
 - > Check-list for Sign-In Issues
 - > How to collect client logs
 - > Additional steps
- > Log collection tools
 - > Snooper (reads client logs)
 - > Remote Connectivity Analyzer
 - > Lync Connectivity Analyzer



SKYPE FOR BUSINESS USER MANAGEMENT

- > Enabling a new User
 - > SIP URI
 - > Line URI
 - > Policies
- > Changing User settings
- > Moving the user to a different pool

Home

Users

Topology

IM and Presence

Persistent Chat

Voice Routing

Voice Features

Response Groups

Conferencing

Clients

Federation and External Access

Monitoring and Archiving

Security

Network Configuration

Getting Started

- First Run Checklist
- Using Control Panel
- Skype for Business Server 2015
- Using Office 365

Getting Help

- Online Documentation on TechNet Library
- Skype for Business Server Management Shell
- Skype for Business Server Management Shell Script Library
- Skype for Business Server Resource Kit Tools

Community

- Forums
- Blogs

Welcome, Chris Lehr (Admin)

View your roles

Top Actions

- Enable users for Skype for Business Server
- Edit or move users
- View topology status
- View Mentoring reports

Connection to Skype for Business Online

- Check recommendations from Office 365
- You have not signed in to Office 365
- Sign in to Office 365
- Set up hybrid with Skype for Business Online



DEMO: SKYPE FOR BUSINESS USER CHANGES

The screenshot displays the Skype for Business Server 2015 Control Panel. The top navigation bar includes 'Home', 'Users', 'Topology', 'IM and Presence', 'Persistent Chat', 'Voice Routing', 'Voice Features', 'Response Groups', 'Conferencing', 'Clients', 'Federation and External Access', 'Monitoring and Archiving', 'Security', and 'Network Configuration'. The 'Users' section is active, showing a 'USER SEARCH' interface. This interface includes a search box with the text 'Search for users by typing a user's name or clicking Add filter', a 'Find' button, and a 'Maximum users to display: 200' setting. Below the search box are options for 'LDAP search' and 'Traverse users'. The 'Display Name' column is selected, and the 'Action' column is set to 'Enabled'. The 'SP address' and 'Homed' columns are also visible. A status bar at the bottom of the control panel shows the time as 8:51 AM on 6/26/2015.

Select the type of search that you want to perform.



DEMO: SKYPE FOR BUSINESS USER MOVES

The screenshot shows the Skype for Business Server Administration console. The top navigation bar includes 'Home', 'Users', 'Topology', 'IM and Presence', 'Persistent Chat', 'Voice Routing', 'Voice Features', 'Response Groups', 'Conferencing', 'Clients', 'Federation and External Access', 'Monitoring and Archiving', 'Security', and 'Network Configuration'. The 'Users' section is active, displaying a 'USER SEARCH' interface. A search for 'Chris' has been performed, resulting in two entries:

Display name	SP address	Named	Telephony
Chris Heacock	s@chacco@extrateam.com	LS2013-FE-POOLextrateam.com	Enterprise Voice
Chris Lehr	s@chris@extrateam.com	LS2013-FE-POOLextrateam.com	Enterprise Voice

The interface also shows search filters, a search bar, and a 'Find' button. The status bar at the bottom indicates the time as 6:57 AM on 6/26/2013.



DEMO: SKYPE FOR BUSINESS USER DISABLE

The screenshot shows the Skype for Business Server administration console. The top navigation bar includes 'Home', 'Users', 'Topology', 'IM and Presence', 'Persistent Chat', 'Voice Routing', 'Voice Features', 'Response Groups', 'Conferencing', 'Clients', 'Federation and External Access', 'Monitoring and Archiving', 'Security', and 'Network Configuration'. The 'Users' section is active, displaying a search interface with a search bar containing 'Chris' and a 'Find' button. Below the search bar, the results show two users:

Display name	Enabled	Action	SP address	SIP address	Enterprise Voice
Chris Heacock	✓	✓	sip:chris@extrateam.com	LS2013-FE-POOL@extrateam.com	Enterprise Voice
Chris Lahr	✓	✓	sip:Chris@extrateam.com	LS2013-FE-POOL@extrateam.com	Enterprise Voice

The search results also indicate 'Search results: 2 Maximum users to display: 200'. The bottom right corner of the console shows the system time as 8:48 AM on 8/28/2015.



SKYPE FOR BUSINESS SIGN IN PROCESS

LyncDiscover

- > For Automatic login, verify Lyncdiscover DNS and HTTP/S are working correctly by opening a browser from the affected client and accessing the following web pages:
 - > <http://Lyncdiscoverinternal.contoso.com/>
 - > <https://Lyncdiscoverinternal.contoso.com/>
 - > <http://Lyncdiscover.contoso.com/>
 - > <https://Lyncdiscover.contoso.com/>
- > You should receive something like the following data blob:

```
{ "_links": { "self": { "href": "https://SfBweb-ext.contoso.com/Autodiscover/AutodiscoverService.svc/root/originalDomain=contoso.com" }, "user": { "href": "https://SfBweb-ext.contoso.com/Autodiscover/AutodiscoverService.svc/root/originalDomain=contoso.com" }, "xframe": { "href": "https://SfBweb-ext.contoso.com/Autodiscover/XFrame/XFrame.html" } } }
```



SKYPE FOR BUSINESS SIGN IN PROCESS

Legacy SRV records

- > If Lyncdiscover process fails, client will try the SRV record in DNS if published
- > Internal SRV record
 - > nslookup
 - > set q=SRV
 - > _sipinternaltls._tcp.contoso.com
- > External SRV record
 - > nslookup
 - > set q=SRV
 - > _sip._tls.contoso.com

```
> set q=SRV
> _sip._tls.microsoft.com
Server: 2012P2002.domain.com
Address: 192.168.201.35

Non-authoritative answer:
_sip._tls.microsoft.com SRV service location:
  priority = 8
  port = 443
  svr_hostname = sip.microsoft.com
_sip.microsoft.com internet address = 167.220.67.160
>
```



CHECK-LIST FOR SIGN-IN ISSUES

First – misconfiguration on the Skype for Business client or user

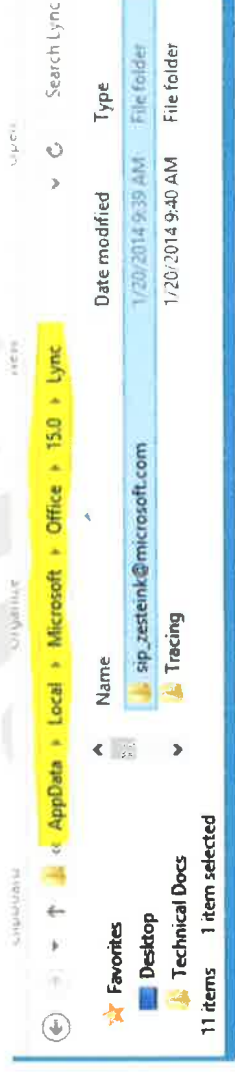
- > Try manual login specifying the Front End pool name
- > Ensure the time/time zone on client and servers are correct
- > Confirm user is enabled for Skype for Business
- > Is the user sign-in address correct?
- > Working internally not working Externally?
- > Isolate the issue based on the behavior of the problem reported
- > Make sure to update with latest client updates and Windows Updates



CHECK-LIST FOR SIGN-IN ISSUES

Second – User cache information might be corrupted

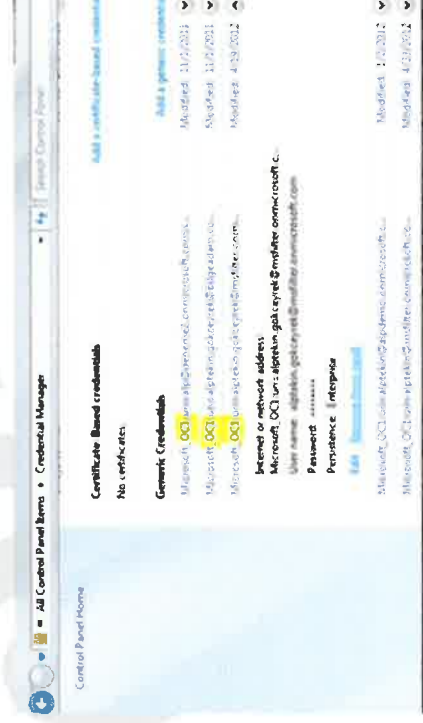
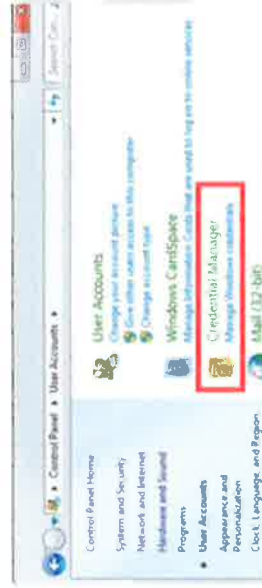
- > Clear the cache account information from:
 - > `c:\users\<username>\AppData\Local\Microsoft\Office\15.0\Lync\sip_<username>@domain.com`
- or
- > `c:\users\<username>\AppData\Local\Microsoft\Office\15.0\Skype for Business\sip_<username>@domain.com`



CHECK-LIST FOR SIGN-IN ISSUES

Third – User cache information might be corrupted

- > Clear the cache account information from Credential Manager on Windows Control Panel



CHECK-LIST FOR SIGN-IN ISSUES

Fourth – User cache information might be corrupted

- > Open Run then type MMC
- > Go to File → Add/Remove Snap-in
 - > Select Certificates and click Add
 - > Select “My user account”
 - > Click Finish
- > Go to Personal → Certificates. Delete the certificate issued by “Communications Server”
 - > These will be reissued upon next sign-in attempt



CHECK-LIST FOR SIGN IN ISSUES

Fifth – Additional troubleshooting steps

- > From the affected client machine, try to sign in with a different Skype for Business Account.
- > If possible, ask user to sign in on a working PC/Device to test their account/password.
- > Test the users credentials at testconnectivity.microsoft.com

Microsoft® Remote Connectivity Analyzer

Select the test you want to run.

Exchange Server | Lync / OCS Server | Office 365 | Client | Message Analyzer



Microsoft Lync Tests

- Lync Server Remote Connectivity Test
- Lync AutoDiscover Web Service Remote Connectivity Test



Microsoft Office Communications Server Tests

- Office Communications Server Remote Connectivity Test

USING THE LYNC RCA



VIEWING IN-BAND PROVISIONING DETAILS

After sing-in clients receive settings through in-band provisioning

- > From the client machine's System Tray, select Skype for Business icon
- > Use CTRL + Right Click of Mouse
- > Click Configuration Information

Name	Value	Status
DG URL External	https://sip00101.contoso.com:443/groupexpansion/service.svc	--
Quality Metrics URI	sip:sip00101.contoso.com@contoso.com;groupaque=sr:HomeServer:cd2mbnovlUjARfIuqZl05wAA	--
URL Internal From Server	https://sip00101.contoso.com:443/abs/handler	--
URL External From Server	https://webex.contoso.com:443/abs/handler	--
Voice mail URI	sip:vm@contoso.com;opaque=appvoicemail	--
Excun Enabled	TRUE	--
Excun URL	EUM:VMan@contoso.com;phone-context=Redmond.contoso.com	Not Configured
MRAS Server	https://sip00101.contoso.com:443/abs/handler	--
GAL Status	TRUE	--
Controlled Phones	AV Encryption Enforced	--
PC to PC AV Encryption		--



SKYPE FOR BUSINESS TROUBLESHOOTING

Collecting Client Logs

- > The following slides present the steps on how to collect logs
 - > Collecting logs:
 - > Check Sfb logging
 - > Stop Sfb client
 - > Clear tracing folder
 - > Start Sfb client
 - > Reproduce issue
 - > Stop Sfb client
 - > Collect/Zip logs
 - > If applicable reset logging (leave on if a frequent helpdesk customer)

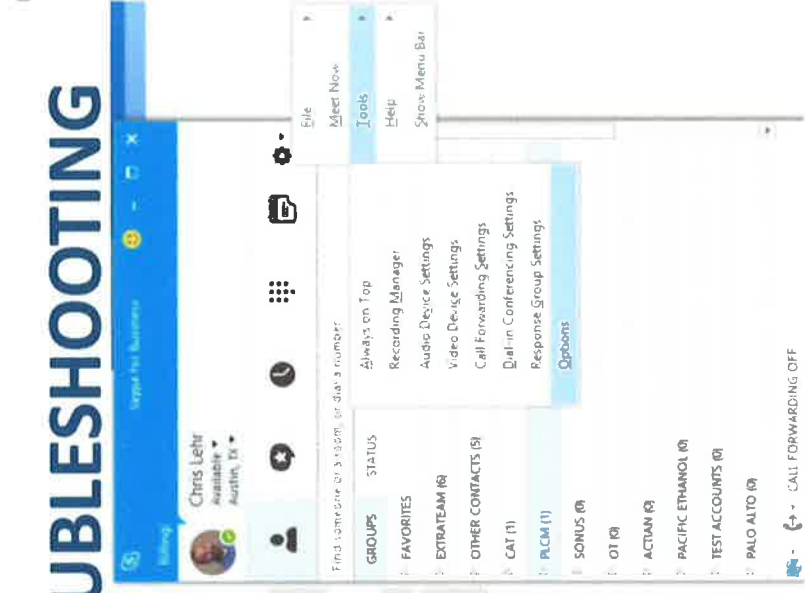
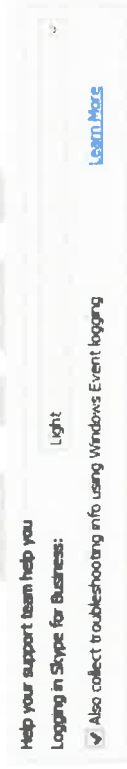


SKYPE FOR BUSINESS TROUBLESHOOTING

Check client log settings

- > How to collect Client side logs
- > On Sfb client Cog → Tools → Options
- > Can be set with:

Set-ClientPolicy -EnableTracing \$true -TracingLevel Full

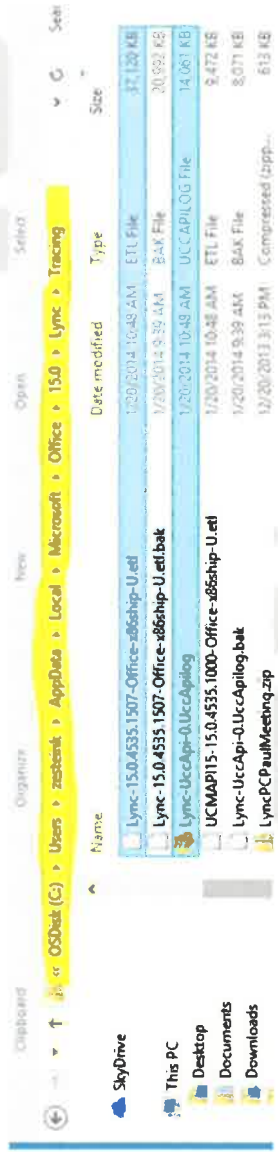


CLIENT LOGGING LOCATION AND FILES

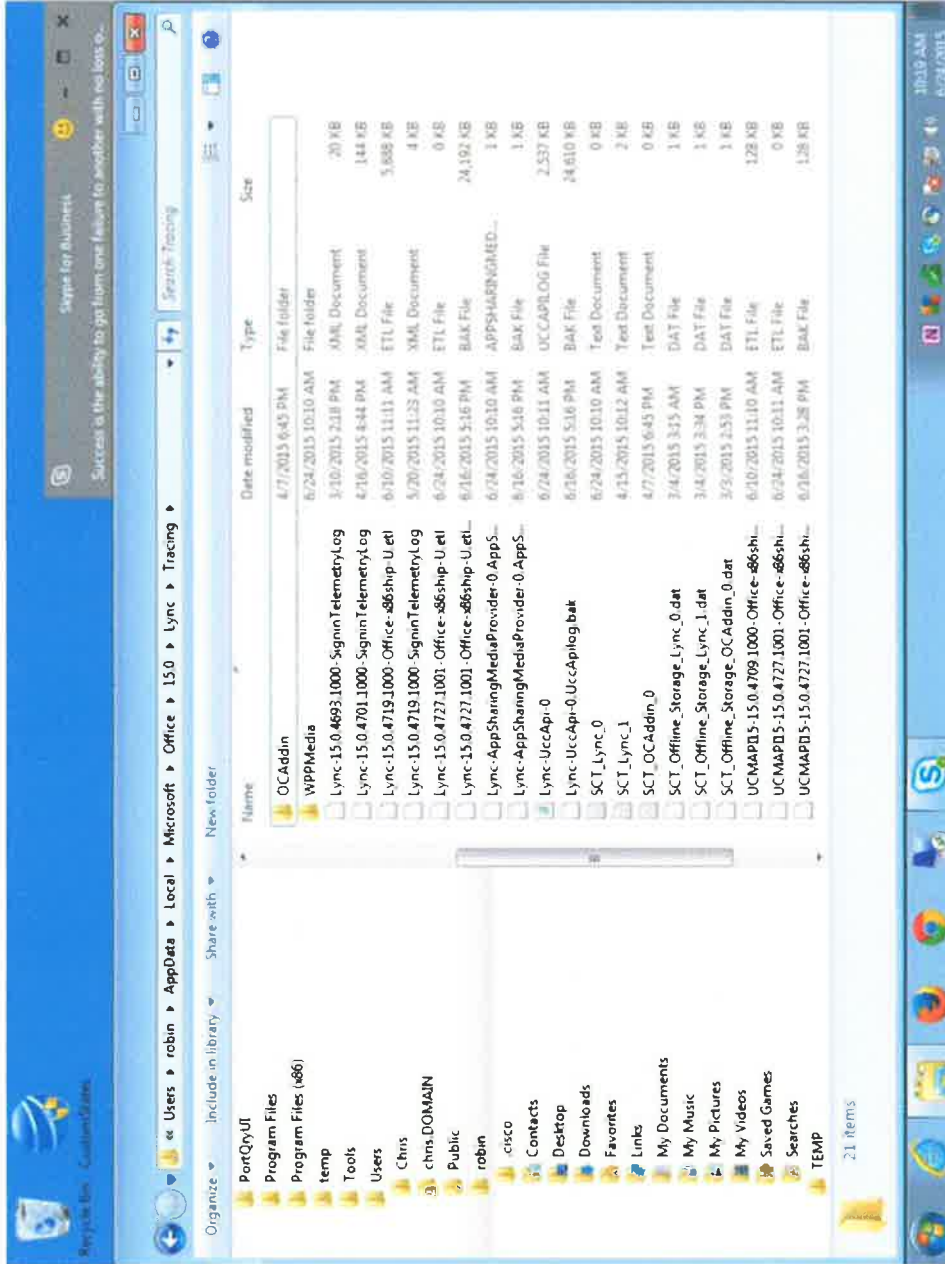
- > Default client log file locations:
 - > Lync 2010: c:\%userprofile%\Tracing
 - > Lync 2013/SfB: %userprofile%\AppData\Local\Microsoft\Office\15.0\Lync\Tracing
 - > Or SfB new install: %userprofile%\AppData\Local\Microsoft\Office\15.0\Skype for Business\Tracing
- > File extension is .Uccapilog
- > Unified Communications Client Platform (UCCP) logs helps in tracking Server connection issues
- > Default file name Lync-UccApi-0.Uccapilog
- > File can be opened using Notepad or Snooper for analysis
- > The Tracing folder also contains ETL files
- > ETL contains advanced Diagnostic information including driver details and significant events on computer (This file can be decoded by Microsoft Support)



CLIENT LOGGING FOLDER



GETTING LYNC & SFB CLIENT LOGS



READING LOGS

- > You can use Notepad, but Snooper is preferred
- > Multi purpose debugging tool
- > Parses Server and client trace logs
- > Makes Protocol (SIP and HTTP) messages and traces easier to read
- > Also reads
 - Call details
 - Stored Procedure Execution reports errors
 - Report on Users, conferencing and MCUs
 - Server Sip Stack
 - Client UCCP
 - S4
 - McuInfra C3P ([http](#))
 - Focus C3P ([http](#))
 - PSOM/LDM
 - Mediation Server



USING SNOOPER

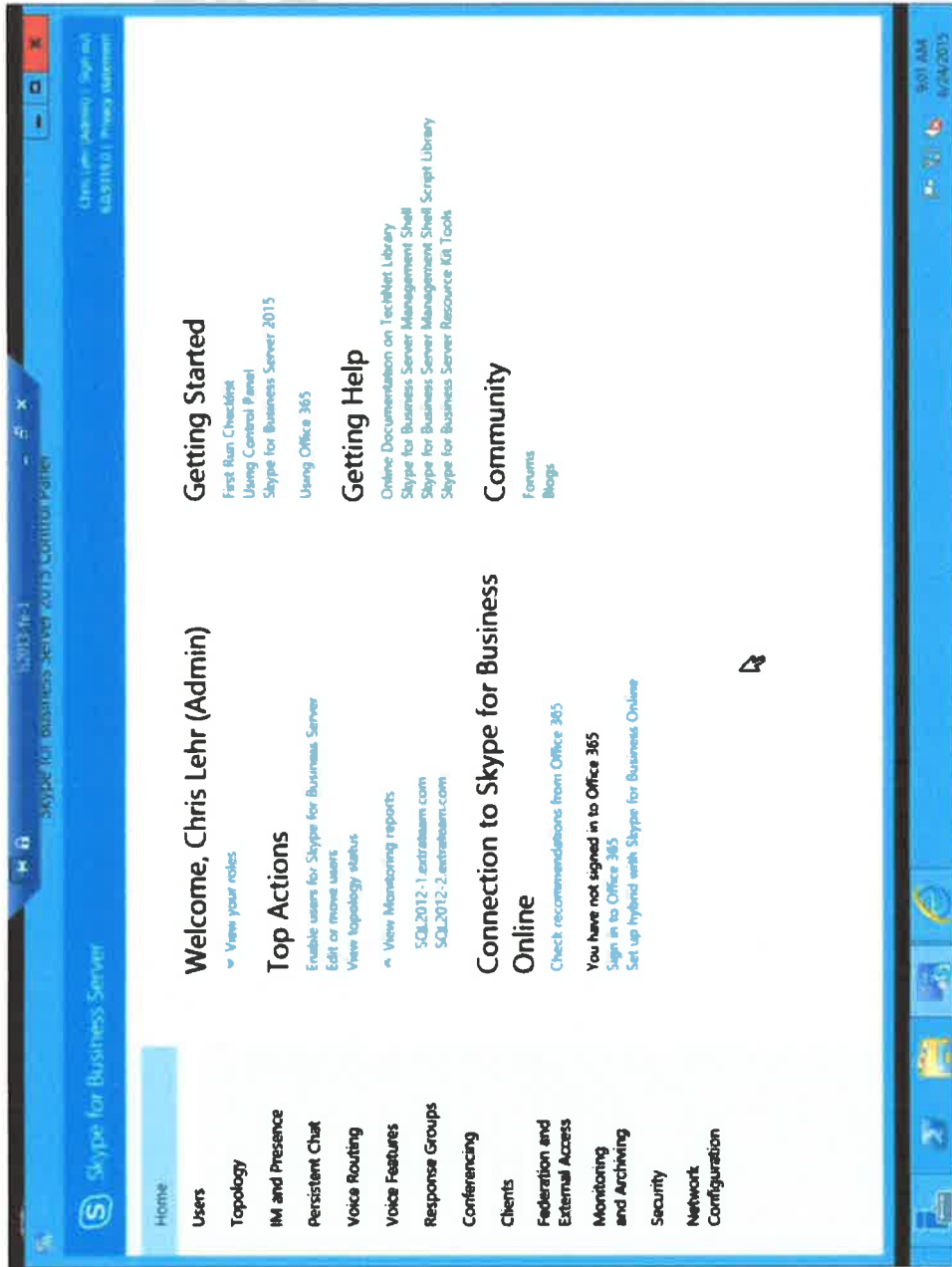
Snooper – Protocol Message Viewer

- > Left pane shows a status icon, Time, Direction (In/Out), Start of line message, To and From Users
- > Messages can be sorted by clicking on column headers

Message row color indications:

- > Green - Message that has been marked
- > Dark red - Error message
- > Bright red - Error with the same Call ID as the selected message.
- > White - Incoming message.
- > Bright yellow - Incoming message with the same Call ID as the selected message.
- > Gray - Outgoing message.
- > Dark yellow - Outgoing message with the same Call ID as the selected message.





READING LYNC & SKYPE FOR BUSINESS REPORTS



Appendix 17
C1 Certificate of Good Standing

STATE OF NEBRASKA

United States of America, } ss.
State of Nebraska }

Secretary of State
State Capitol
Lincoln, Nebraska

I, John A. Gale, Secretary of State of the
State of Nebraska, do hereby certify that

CONVERGEONE, INC.

a Minnesota corporation is authorized to transact business in Nebraska;

**that no occupation taxes due from and assessable against the Corporation are
unpaid and have become delinquent;**

**that no annual or biennial report required to be forwarded by the
Corporation to the Secretary of State has become delinquent;**

that a Certificate of Withdrawal has not been filed.

*This certificate is not to be construed as an endorsement,
recommendation, or notice of approval of the entity's financial
condition or business activities and practices.*

In Testimony Whereof,



I have hereunto set my hand and
affixed the Great Seal of the
State of Nebraska on this date of

May 31, 2018

A handwritten signature in black ink that reads "John A. Gale".
Secretary of State



Appendix 18
C1 SEC Form 8-K/A

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 22, 2018

ConvergeOne Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-38053
(Commission
File Number)

81-4619427
(IRS Employer
Identification No.)

3344 Highway 149
Eagan, MN
(Address of principal executive offices)

55121
(Zip Code)

Registrant's telephone number, including area code: (888) 321-6227

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Explanatory Note

ConvergeOne Holdings, Inc. is filing this Current Report on Form 8-K/A (“*Amendment No. 1*”) to amend its Current Report on Form 8-K filed with the Securities and Exchange Commission on February 26, 2018 (the “*Initial Form 8-K*”). This Amendment No. 1 amends the Initial Form 8-K to include additional financial statements and pro forma financial information required by Items 9.01(a) and 9.01(b) of Form 8-K that were excluded in the Initial Form 8-K in reliance on the instructions to such items.

Item 9.01. Financial Statement and Exhibits.

(a)-(b) Financial Statements.

Information responsive to Item 9.01(a) and (b) of Form 8-K is set forth in the financial statements included in the Proxy Statement/Prospectus beginning on page F-1, and under “*Unaudited Pro Forma Condensed Combined Financial Statements*” and is incorporated herein by reference.

The audited financial statements of SPS Holdco, LLC for the years ended December 27, 2015 and December 25, 2016, and the unaudited financial statements of SPS Holdco, LLC for the six months ended June 30, 2017 were previously filed as Exhibit 99.1 to the Initial Form 8-K and incorporated herein by reference.

The audited financial statements of AOS, Inc. for the years ended December 27, 2015 and December 25, 2016 were previously filed as Exhibit 99.2 to the Initial Form 8-K and incorporated herein by reference.

The unaudited financial statements of AOS, Inc. for the nine month period ended October 1, 2017 were previously filed as Exhibit 99.3 to the Initial Form 8-K and incorporated herein by reference.

The audited consolidated financial statements of C1 Investment Corp. for the years ended December 31, 2015, 2016 and 2017 are filed as Exhibit 99.5 to this Amendment No. 1 and are incorporated herein by reference.

Unaudited pro forma financial statements were previously filed as Exhibit 99.4 to the Initial Form 8-K and are incorporated herein by reference.

Unaudited pro forma financial statements are filed as Exhibit 99.6 to this Amendment No. 1 and are incorporated herein by reference.

Exhibit Number	Description of Document	Incorporated by Reference			
		Schedule/Form	File Number	Exhibits	Filing Date
2.1*	Agreement and Plan of Merger, dated as of November 30, 2017, by and among Forum Merger Corporation, FMC Merger Subsidiary Corp., FMC Merger Subsidiary LLC, Clearlake Capital Management III, L.P., and C1 Investment Corp.	Form 8-K	001-38053	2.1	December 1, 2017
3.1	Certificate of Amendment of Certificate of Incorporation	Form 8-K	001-38053	3.1	February 26, 2018
3.2	Amended and Restated Certificate of Incorporation	Form 8-K	001-38053	3.2	February 26, 2018
3.3	Amended and Restated Bylaws	Form S-4	333-221848	3.5	February 1, 2018
4.1	Specimen Warrant Certificate	Form S-1	333-217187	4.3	March 29, 2017
4.2	Warrant Agreement, dated February 22, 2018, between Continental Stock Transfer & Trust Company and ConvergeOne Holdings, Inc.	Form 8-K	001-38053	4.2	February 26, 2018
4.3	Specimen Common Stock Certificate	Form S-4	333-221848	4.7	February 1, 2018
4.4	Form of Unit Purchase Option between Forum and EBC	Form S-1	333-217187	4.6	March 21, 2017
10.1	Stock Escrow Agreement, dated April 6, 2017 between Forum, Forum Investors I, LLC and Continental Stock Transfer & Trust Company	Form 8-K	001-38053	10.3	April 12, 2017
10.2	Registration Rights Agreement among Forum and Forum Investors I, LLC	Form 8-K	001-38053	10.4	April 12, 2017
10.3	Sponsor Earnout Letter and Amendment to Escrow Agreement, dated November 30, 2017	Form 8-K	001-38053	10.3	December 1, 2017

Exhibit Number	Description of Document	Incorporated by Reference			
		Schedule/Form	File Number	Exhibits	Filing Date
10.4	Amended and Restated Registration Rights Agreement by and among Forum, Forum Investors I, LLC, Clearlake Capital Management III, L.P. and other stockholders	Form 8-K	001-38053	10.4	February 26, 2018
.5†	2018 Equity Incentive Plan	Form 8-K	001-38053	10.5	February 26, 2018
10.6†	Form of Stock Option Agreement, Notice of Exercise and Stock Option Grant Notice under the 2018 Equity Incentive Plan	Form S-4	333-221848	10.16	February 1, 2018
10.7†	Form of Restricted Stock Unit Grant Notice and Restricted Stock Unit Award Agreement under the 2018 Equity Incentive Plan	Form S-4	333-221848	10.17	February 1, 2018
10.8†	2018 Employee Stock Purchase Plan	Form 8-K	001-38053	10.8	February 26, 2018
10.9†	Offer letter dated June 16, 2014 between CI Holdings Corp. and John A. McKenna, Jr.	Form S-4	333-221848	10.19	December 1, 2017
10.10†	Offer letter dated June 16, 2014 between CI Holdings Corp. and Jeffrey Nachbor	Form S-4	333-221848	10.20	December 1, 2017
10.11†	Offer letter dated June 16, 2014 between CI Holdings Corp. and John Lyons	Form S-4	333-221848	10.21	December 1, 2017
10.12†	Offer letter dated June 16, 2014 between CI Holdings Corp. and Paul Maier	Form S-4	333-221848	10.22	December 1, 2017
10.13†	Form of Indemnity Agreement	Form S-4	333-221848	10.23	February 1, 2018
10.14	Revolving Loan Credit Agreement dated June 20, 2017 among CI Intermediate Corp., CI Holdings Corp., ConvergeOne, Inc., the Lenders party thereto, Wells Fargo Commercial Distribution Finance, LLC and Wells Fargo Bank, N.A.	Form S-4	333-221848	10.24	December 1, 2017
10.15	Guarantee and Collateral Agreement dated June 20, 2017 among CI Intermediate Corp., ConvergeOne, Inc., CI Holdings Corp., the Subsidiaries of CI Holdings Corp. from time to time party thereto, and Wells Fargo Commercial Distribution Finance, LLC	Form S-4	333-221848	10.25	December 1, 2017
10.16	Term Loan Agreement dated June 20, 2017 among CI Holdings Corp., CI Intermediate Corp., the Lenders party thereto, and JPMorgan Chase Bank, N.A.	Form S-4	333-221848	10.26	December 1, 2017
10.17	Incremental Amendment dated July 28, 2017 among CI Intermediate Corp., CI Holdings Corp., the Guarantors party thereto, Credit Suisse AG, Cayman Islands Branch and JPMorgan Chase Bank, N.A.	Form S-4	333-221848	10.27	December 1, 2017
.18	Incremental Amendment dated October 25, 2017 among CI Intermediate Corp., CI Holdings Corp., the Guarantors party thereto, Credit Suisse AG, Cayman Islands Branch and JPMorgan Chase Bank, N.A.	Form S-4	333-221848	10.28	December 1, 2017
10.19	Guarantee and Collateral Agreement dated June 20, 2017 among CI Intermediate Corp., CI Holdings Corp., the Subsidiaries of CI Holdings Corp. from time to time party thereto, and JPMorgan Chase Bank, N.A.	Form S-4	333-221848	10.29	December 1, 2017

Exhibit Number	Description of Document	Incorporated by Reference			
		Schedule/Form	File Number	Exhibits	Filing Date
10.20	First Amendment to Revolving Loan Credit Agreement dated January 18, 2018 among CI Intermediate Corp., CI Holdings Corp., ConvergeOne, Inc., Annese & Associates, Inc., SPS Holdco, LLC, Strategic Products and Services, LLC, Providea Conferencing, LLC, RGTS, Inc., RGT Utilities, Inc., and Wells Fargo Commercial Distribution Finance, LLC	Form S-4	333-221848	10.30	January 26, 2018
10.21	Second Amendment to Revolving Loan Credit Agreement dated February 13, 2018 among CI Intermediate Corp., CI Holdings Corp., ConvergeOne, Inc., Annese & Associates, Inc., SPS Holdco, LLC, Strategic Products and Services, LLC, Providea Conferencing, LLC, RGTS, Inc., RGT Utilities, Inc., and Wells Fargo Commercial Distribution Finance, LLC	Form 8-K	001-38053	10.21	February 26, 2018
10.22	First Amendment to Term Loan Agreement dated January 18, 2018 among CI Intermediate Corp., CI Holdings Corp., the Guarantors party thereto, and JPMorgan Chase Bank, N.A.	Form S-4	333-221848	10.31	January 26, 2018
10.23††	Avaya Inc. Reseller Master Terms and Conditions dated July 3, 2002 by and between Avaya Inc. and North American Communications Resource, Inc. dba NACR, Inc.	Form S-4	333-221848	10.30	January 12, 2018
10.24††	Third Amendment to Avaya Inc. Reseller Master Terms and Conditions dated November 3, 2004 by and between Avaya Inc. and North American Communications Resource, Inc.	Form S-4	333-221848	10.31	January 12, 2018
10.25††	Fourth Amendment to Avaya Inc. Reseller Master Terms and Conditions dated March 7, 2007 by and between Avaya Inc. and North American Communications Resource, Inc.	Form S-4	333-221848	10.32	January 12, 2018
10.26††	Fifth Amendment to Avaya Inc. Reseller Master Terms and Conditions by and between Avaya Inc. and North American Communications Resource, Inc., dated May 14, 2007	Form S-4	333-221848	10.33	January 12, 2018
10.27††	Sixth Amendment to Avaya Inc. Reseller Master Terms and Conditions by and between Avaya Inc. and North American Communications Resource, Inc., dated September 28, 2007	Form S-4	333-221848	10.34	January 12, 2018
78††	Systems Integrator Agreement dated June 20, 2016 between Cisco Systems, Inc. and ConvergeOne, Inc.	Form S-4	333-221848	10.35	January 12, 2018
10.29††	Amendment No. 1 to the Systems Integrator Agreement dated June 30, 2016 between Cisco Systems, Inc. and ConvergeOne, Inc.	Form S-4	333-221848	10.36	January 12, 2018
10.30	Form of Subscription Agreement	Form 8-K	001-38053	10.3	December 1, 2017
10.31	Form of Lock-Up Agreement	Form 8-K	001-38053	10.4	December 1, 2017
16.1	Letter re Change in Certifying Accountant	Form 8-K	001-38053	16.1	February 26, 2018
21.1	List of Subsidiaries	Form 8-K	001-38053	21.1	February 26, 2018
99.1	SPS Holdco, LLC audited financial statements for the years ended December 31, 2015 and 2016, and unaudited financial statements for the six months ended June 30, 2017	Form 8-K	001-38053	99.1	February 26, 2018
99.2	AOS, Inc. audited financial statements for the years ended December 27, 2015 and December 25, 2016	Form 8-K	001-38053	99.2	February 26, 2018

Exhibit Number	Description of Document	Incorporated by Reference			
		Schedule/Form	File Number	Exhibits	Filing Date
99.3	AOS, Inc. unaudited financial statements for the nine month period ended October 1, 2017	Form 8-K	001-38053	99.3	February 26, 2018
.4	Unaudited pro forma financial statements	Form 8-K	001-38053	99.4	February 26, 2018
99.5**	CI Investment Corp. audited financial statements for the years ended December 31, 2015, 2016 and 2017				
99.6**	Unaudited pro forma financial statements				

* The annexes, schedules, and certain exhibits to the Agreement and Plan of Merger have been omitted pursuant to Item 601(b)(2) of Regulation S-K. ConvergeOne hereby agrees to furnish supplementally a copy of any omitted annex, schedule or exhibit to the Commission upon request.

** Filed herewith.

† Indicates a management contract or compensatory plan, contract or arrangement.

†† Confidential treatment has been granted for certain provisions omitted from this Exhibit pursuant to Rule 406 promulgated under the Securities Act. The omitted information has been filed separately with the Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ConvergeOne Holdings, Inc.

Dated: March 20, 2018

By: / S / J O H N A . M C K E N N A , J R .

John A. McKenna, Jr.

President and Chief Executive Officer

C1 INVESTMENT CORP.
Consolidated Financial Statements
December 31, 2017

C1 INVESTMENT CORP.
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
C1 Investment Corp. and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of C1 Investment Corp. and Subsidiaries (the Company) as of December 31, 2017 and 2016, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2017, and the related notes to the consolidated financial statements (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the auditing standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ RSM US LLP

We have served as the Company's auditor since 2005.

Minneapolis, Minnesota
March 19, 2018

C1 INVESTMENT CORP.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	As of December 31,	
	2017	2016
Assets		
Current Assets		
Cash	\$ 13,475	\$ 9,632
Trade accounts receivable, less allowances	289,236	180,160
Inventories	14,717	12,127
Prepaid expenses and other current assets	9,294	3,373
Deferred customer support contract costs	35,151	19,779
Income tax receivable	10,576	—
Total current assets	372,449	225,071
Other Assets		
Goodwill	331,456	258,570
Finite-life intangibles, net	173,642	134,620
Property and equipment, net	36,659	15,355
Deferred customer support contract costs, noncurrent	3,915	805
Non-current income tax receivable	2,620	—
Deferred offering costs	—	1,839
Total other assets	548,292	411,189
Total assets	\$ 920,741	\$ 636,260
Liabilities and Stockholders' Equity		
Current Liabilities		
Current maturities of long-term debt	\$ 5,652	\$ 3,324
Accounts payable	157,778	95,824
Customer deposits	22,498	14,144
Accrued compensation	34,522	23,382
Accrued other	27,362	11,101
Income tax payable	—	4,151
Deferred revenue	68,127	41,876
Total current liabilities	315,939	193,802
Long-Term Liabilities		
Long-term debt, net of debt issuance costs and current maturities	566,424	388,964
Deferred income taxes	18,056	37,841
Long-term income tax payable	1,563	1,567
Deferred revenue and other long-term liabilities	13,118	1,326
Total long-term liabilities	599,161	429,698
Commitments and Contingencies		
Stockholders' Equity		
Class A common stock, \$0.0001 par value; 106,000,000 shares authorized; 89,766,294 shares issued and outstanding as of December 31, 2017; 89,862,276 shares issued and outstanding as of December 31, 2016	9	9
Class B convertible common stock, \$0.0001 par value; 16,000,000 nonvoting shares authorized; 14,830,683 nonvoting shares issued and outstanding as of December 31, 2017; 14,701,748 nonvoting shares issued and outstanding as of December 31, 2016	1	1
Subscription receivable from related party	(1,805)	—
Additional paid-in capital	13,459	10,367
(Accumulated deficit) retained earnings	(6,023)	2,383
Total stockholders' equity	5,641	12,760
Total liabilities and stockholders' equity	\$ 920,741	\$ 636,260

See accompanying notes to consolidated financial statements.

C1 INVESTMENT CORP.
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)

	Year Ended December 31,		
	2017	2016	2015
Revenue			
Technology offerings	\$ 453,106	\$ 439,804	\$ 297,481
Services	465,820	375,805	303,983
Total revenue	<u>918,926</u>	<u>815,609</u>	<u>601,464</u>
Cost of revenue			
Technology offerings	348,430	333,082	220,377
Services	296,011	233,283	187,641
Total cost of revenue	<u>644,441</u>	<u>566,365</u>	<u>408,018</u>
Gross profit			
Technology offerings	104,676	106,722	77,104
Services	169,809	142,522	116,342
Total gross profit	<u>274,485</u>	<u>249,244</u>	<u>193,446</u>
Operating expenses			
Sales and marketing	139,469	128,733	96,578
General and administrative	61,367	40,262	36,955
Transaction costs	14,071	6,055	5,678
Depreciation and amortization	34,908	27,692	23,520
Total operating expenses	<u>249,815</u>	<u>202,742</u>	<u>162,731</u>
Operating income	<u>24,670</u>	<u>46,502</u>	<u>30,715</u>
Other (income) expense			
Interest income	(105)	(11)	(26)
Interest expense	52,057	31,438	23,072
Other expense, net	87	10	72
Interest expense and other, net	<u>52,039</u>	<u>31,437</u>	<u>23,118</u>
(Loss) income before income taxes	<u>(27,369)</u>	<u>15,065</u>	<u>7,597</u>
Income tax (benefit) expense	<u>(19,348)</u>	<u>6,716</u>	<u>3,574</u>
(loss) income	<u>\$ (8,021)</u>	<u>\$ 8,349</u>	<u>\$ 4,023</u>
Net (loss) income per share attributable to Class A common stockholders, basic and diluted	<u>\$ (0.09)</u>	<u>\$ 0.09</u>	<u>\$ 0.04</u>
Cash dividends per share of Class A common stock	<u>\$ —</u>	<u>\$ 1.00</u>	<u>\$ —</u>

See accompanying notes to consolidated financial statements.

C1 INVESTMENT CORP.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except share data)

	Class A Common Stock		Class B Common Stock		Subscription Receivable	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Total
	Shares	Amount	Shares	Amount				
Balance at December 31, 2014	89,883,258	\$ 9	13,142,461	\$ 1	\$ —	\$ 90,007	\$ (1,052)	\$ 88,965
Common shares issued upon exercise of options	—	—	1,961,124	—	—	20	—	20
Repurchase of shares	(20,982)	—	(401,837)	—	—	(25)	—	(25)
Stock-based compensation expense	—	—	—	—	—	233	—	233
Net income	—	—	—	—	—	—	4,023	4,023
Balance at December 31, 2015	89,862,276	9	14,701,748	1	—	90,235	2,971	93,216
Stock-based compensation expense	—	—	—	—	—	1,057	—	1,057
Dividends paid	—	—	—	—	—	(80,925)	(8,937)	(89,862)
Net income	—	—	—	—	—	—	8,349	8,349
Balance at December 31, 2016	89,862,276	9	14,701,748	1	—	10,367	2,383	12,760
Common shares issued upon exercise of options	—	—	530,772	—	(1,805)	1,805	—	—
Repurchase of shares	(95,982)	—	(401,837)	—	—	—	(385)	(385)
Stock-based compensation expense	—	—	—	—	—	1,287	—	1,287
Net loss	—	—	—	—	—	—	(8,021)	(8,021)
Balance at December 31, 2017	89,766,294	\$ 9	14,830,683	\$ 1	\$ (1,805)	\$ 13,459	\$ (6,023)	\$ 5,641

See accompanying notes to consolidated financial statements.

C1 INVESTMENT CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2017	2016	2015
Cash Flows from Operating Activities			
Net (loss) income	\$ (8,021)	\$ 8,349	\$ 4,023
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:			
Depreciation of property and equipment in operating expenses	8,462	5,236	3,273
Depreciation of property and equipment in cost of revenue	1,465	878	338
Amortization of finite-life intangibles	26,445	22,456	20,247
Deferred income taxes	(8,011)	(4,065)	(2,917)
Amortization of debt issuance costs	2,596	2,412	2,028
Loss on extinguishment of debt	13,638	2,747	—
Stock-based compensation expense	1,287	1,057	233
Other	2,383	17	97
Changes in assets and liabilities, net of business acquisitions in 2017 and 2015:			
Trade accounts receivable	(38,661)	(5,536)	(32,145)
Inventories	9,913	(780)	(3,665)
Prepaid expenses, deferred customer support contract costs and other	(3,576)	(1,490)	(7,652)
Income tax receivable	(11,408)	17	4,419
Accounts payable and accrued expenses	(7,558)	(11,112)	12,928
Customer deposits	(1,090)	920	(2,384)
Income tax payable	(4,253)	(257)	5,301
Deferred revenue and other long-term liabilities	9,865	2,007	10,346
Net cash (used in) provided by operating activities	<u>(6,524)</u>	<u>22,856</u>	<u>14,470</u>
Cash Flows from Investing Activities			
Purchases of property and equipment	(9,514)	(9,272)	(5,476)
Acquisitions of businesses, net of cash acquired	(142,925)	247	(67,047)
Net cash used in investing activities	<u>(152,439)</u>	<u>(9,025)</u>	<u>(72,523)</u>
Cash Flows from Financing Activities			
Proceeds from term notes, less discount	569,988	88,650	49,750
Dividends paid	—	(89,862)	—
Proceeds from revolving credit agreement	114,000	42,000	20,000
Repayment of revolving credit agreement	(94,000)	(52,000)	(10,000)
Repurchase of common stock	(385)	—	(25)
Payment of deferred financing costs	(6,630)	(3,966)	(1,168)
Payment of extinguishment charges	(3,353)	(1,470)	—
Deferred offering costs	—	(224)	—
Payment on long-term debt	(416,814)	(2,634)	(2,279)
Proceeds received from stock option exercises	—	—	20
Net cash provided by (used in) financing activities	<u>162,806</u>	<u>(19,506)</u>	<u>56,298</u>
Net increase (decrease) in cash	3,843	(5,675)	(1,755)
Cash			
Beginning	9,632	15,307	17,062
Ending	<u>\$ 13,475</u>	<u>\$ 9,632</u>	<u>\$ 15,307</u>
Supplemental disclosures of cash flow information			
Interest paid	<u>\$ 37,035</u>	<u>\$ 27,650</u>	<u>\$ 20,870</u>
Income taxes paid	<u>\$ 4,343</u>	<u>\$ 11,017</u>	<u>\$ 2,812</u>
Supplemental disclosures of noncash investing and financing activities			
Deferred offering costs in accounts payable and accrued expenses	<u>\$ —</u>	<u>\$ 1,615</u>	<u>\$ —</u>
Deferred financing costs in accounts payable and accrued expenses	<u>\$ —</u>	<u>\$ 363</u>	<u>\$ —</u>
Property and equipment purchases financed with accounts payable	<u>\$ 123</u>	<u>\$ 235</u>	<u>\$ 170</u>
Contingent consideration for business acquisition	<u>\$ 956</u>	<u>\$ —</u>	<u>\$ —</u>
Stock option exercise with promissory note	<u>\$ 1,805</u>	<u>\$ —</u>	<u>\$ —</u>

See accompanying notes to consolidated financial statements.

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements

1. Nature of Business and Summary of Significant Accounting Policies

Description of the Company

C1 Investment Corp. and its wholly owned subsidiary, C1 Intermediate Corp., are Delaware corporations that were incorporated to complete the 2014 acquisition of ConvergeOne Holdings Corp. (“Holdings”) and its consolidated subsidiaries by Clearlake Capital Group, L.P. (“Clearlake”).

Holdings is the parent company of ConvergeOne, Inc. (“ConvergeOne”), formerly North American Communications Resource, Inc. (“NACR”), Annese & Associates, Inc. (“Annese”), SPS Holdco, LLC. (“SPS”), RGTS, Inc. (“RGTS”) and AOS, Inc. (“AOS”).

On May 16, 2015, ConvergeOne Solutions, Inc. (“Solutions”) was formed as a wholly owned subsidiary of Holdings. On May 19, 2015, NACR acquired all issued and outstanding stock of Sunturn, Inc. (“Sunturn”), and Solutions acquired all issued and outstanding stock of MSN Communications, Inc. (“MSN”). On December 4, 2015, Solutions acquired all issued and outstanding stock of SIGMAnet, Inc. (“SIGMAnet”). On December 31, 2015, the Company executed a series of mergers designed to simplify its legal structure. Sunturn was merged into NACR; and Solutions was merged into NACR. On January 1, 2016, NACR’s name was legally changed to ConvergeOne, Inc. SIGMAnet was merged into ConvergeOne, Inc. on March 31, 2017.

ConvergeOne acquired all issued and outstanding stock of Annese on July 14, 2017, all issued and outstanding stock of SPS on August 16, 2017, all issued and outstanding stock of Rockefeller Group Technology Solutions, Inc. on September 15, 2017 and all issued and outstanding stock of AOS On December 15, 2017. These business acquisitions are described in Note 2—Business Acquisitions.

Immediately following the acquisition of Rockefeller Group Technology Solutions, Inc., the name of the company was legally changed to RGTS, Inc. and the separate legal entities were merged into one of two surviving companies, either RGTS, Inc. the parent company or RGT Utilities, Inc.

References to “the Company,” “we,” “us,” “our,” and similar words refer to C1 Investment Corp. and all of the consolidated subsidiaries, unless specifically noted otherwise.

Merger

On November 30, 2017, the Company signed an Agreement and Plan of Merger (“Merger”) with Forum Merger Corporation (“Forum”), whereby a subsidiary of Forum and the Company shall consummate a merger, pursuant to which the subsidiary shall be merged with and into the Company, following which the separate corporate existence of the subsidiary shall cease and the Company shall continue as the surviving corporation (the “Business Combination”). On February 22, 2018, the transactions contemplated by the Merger were consummated. In connection with the Merger, the name of the surviving corporation was changed to ConvergeOne Holdings, Inc.

The Business Combination will be accounted for as a reverse merger in accordance with U.S. GAAP. Under this method of accounting, Forum will be treated as the “acquired” company for financial reporting purposes. This determination was primarily based on the Company Securityholders expecting to have a majority of the voting power of the combined company, the Company comprising the ongoing operations of the combined entity, the Company comprising a majority of the governing body of the combined company, and the Company’s senior management comprising the senior management of the combined company. Accordingly, for accounting purposes, the Business Combination will be treated as the equivalent of the Company issuing stock for the net assets of Forum, accompanied by a recapitalization. The net assets of Forum will be stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination will be those of the Company.

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

Nature of Business

The Company is a leading IT services provider of collaboration and technology solutions for large and medium enterprises. The Company serves clients through its comprehensive engagement model which includes the full lifecycle of services from consultation through implementation, optimization, and ongoing support services. The Company provides innovative and sophisticated services, including professional and managed, cloud and maintenance services, and complex multi-vendor technology offerings to its clients. The Company's core technology markets are (1) collaboration and (2) enterprise networking, data center, cloud, and security.

Principles of Consolidation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") and include the accounts of the parent company, C1 Investment Corp., and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in the consolidation.

Use of Estimates

The preparation of the Company's consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used when accounting for items and matters including, but not limited to, revenue recognition, the fair value of assets acquired and liabilities assumed in business combinations, evaluation of goodwill and long-lived assets for impairment, stock-based compensation, partner funding, income tax measurement, and provisions for doubtful accounts.

Significant Accounting Policies

A summary of the Company's significant accounting policies follows:

Revenue Recognition

Products, installation and maintenance services are typically sold as a bundled arrangement containing multiple deliverables of new and/or refurbished hardware, software and professional services associated with installing, maintaining and managing the business communications systems. Revenue from multiple-element arrangements is allocated to the various elements based on the relative selling price of the elements, and each element is considered a separate accounting unit, with recognition of revenue based on the criteria met for the individual element of the multiple-element arrangement. When available, the Company uses vendor-specific objective evidence, or VSOE, to determine the selling price of a unit of accounting. If VSOE does not exist, the Company uses third-party evidence of the selling price for similar products and services. For units of accounting in which there is no VSOE or third-party evidence of selling price, the best estimate of selling price is used. The Company determines best estimate of selling price using a cost plus margin approach.

Technology Offerings Revenue

Revenue for hardware and software: The Company sells communication products, which consist of hardware and essential software. The software and hardware are necessary to deliver the essential functionality of the communication products. Revenue from the sale of hardware and software products is generally recognized on a gross basis with the sales price to the customer recorded as revenue and the acquisition cost of the product recorded as cost of revenue, net of certain partner funding. Revenue is recognized when the title and risk of loss are passed to the customer, there is persuasive evidence of an arrangement for sale, the sales price is fixed and determinable, and collectability is reasonably assured. Hardware and software items can be delivered to

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Notes to the Consolidated Financial Statements—(Continued)

customers in a variety of ways including physical products shipped from our warehouses, via drop-shipment by the vendor or distributor or via electronic delivery software licenses.

The Company maintains an estimate for sales returns and credit losses based on historical experience. The Company's vendor partners provide limited warranties to our customers on equipment sold.

Sales Taxes . The Company records sales and use taxes collected from customers for remittance to governmental authorities on a net basis within the Company's consolidated statements of income.

Shipping and Freight . Shipping and freight costs billed to customers are recognized within revenue with the related shipping and freight costs incurred by the Company recorded as a cost of revenue.

Services Revenue

Revenue for Professional Services . Revenue from professional services, which includes the design, configuration, installation and integration of business communication and data systems, is recognized as the services are performed or as all obligations have been substantially met.

Revenue for Managed, Cloud and Maintenance Services . Revenue for managed services, which are for agreements of one year or greater for more than one service offering, is recognized on a straight-line basis over the term of the arrangement, which is consistent with the timing of services rendered. Payments received and billings in advance for these services are initially recorded as deferred revenue and recognized over the period services are provided. The Company incurs external costs associated with professional and managed services, primarily related to purchasing maintenance support contracts with third party manufacturers and software licenses, which are generally prepaid. These costs, associated with maintenance contracts where we have an obligation to perform services, are incurred specifically to assist the Company in rendering services to its customers and are recorded as deferred customer support contract costs at the time the costs are incurred. The costs are amortized to expense as a cost of revenue – services on a straight-line basis over the period during which the Company fulfills its performance obligation.

The Company considers the principal versus agent accounting guidance to determine if the Company is the primary obligor in the arrangement and if revenue should be recognized gross or net of the associated costs. Applying the principal versus agent accounting guidance is a matter of judgment based on consideration of several factors and indicators.

Revenue from the sale of third-party retail maintenance contracts is recognized net of the related cost of revenue. In third-party retail maintenance contracts, all services are provided by third-party providers and, as a result, the Company concluded that it is acting as an agent and is not considered the primary obligor. As the Company is under no obligation to perform additional services, revenue is recognized net at the time of sale.

Revenue from the sale of third-party wholesale maintenance contracts is recognized on a gross basis at the time of sale with the selling price to the customer recorded as revenue and the acquisition cost recorded as cost of revenue. Based upon the evaluation of indicators for net and gross reporting, the Company has concluded that it is acting as a principal in these contracts.

Cash

The Company maintains its cash in bank deposit and money market accounts that, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company's cash management program utilizes zero balance accounts and overnight money market investments. The Company does not have any compensating balance requirements.

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Notes to the Consolidated Financial Statements—(Continued)

Trade Accounts Receivable

Accounts receivable are carried at the original invoice amount less an estimate made for doubtful receivables. Management determines the allowances by regularly evaluating individual customer receivables and considering a customer's financial condition and credit history. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received.

Inventories

Inventories, consisting primarily of communication products, are valued at the lower of cost, determined by the specific-identification method and average cost, or market. The Company evaluates inventories for excess, aging, obsolescence or other factors that affect net realizable value. Write-downs have historically not been material for any of the periods presented.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using straight-line and accelerated methods over estimated useful lives of five to ten years for furniture, fixtures and equipment, and three years for software. Leasehold improvements are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Depreciation of certain equipment and software directly utilized in support of cloud and managed services contracts is included in cost of service revenue within the Company's consolidated statements of income. All other depreciation and amortization are recorded in depreciation and amortization within operating expenses in the Company's consolidated statements of income.

Finite-life Intangible Assets

Finite-life intangible assets include customer relationships, trademarks, noncompetition agreements, and internally developed software. These intangible assets are amortized over the estimated period during which the asset is expected to contribute directly or indirectly to future cash flows.

Impairment of Long-lived Assets

The Company reviews its long-lived assets for impairment whenever events or circumstances exist that indicate the carrying amount of an asset or asset group may not be recoverable. The recoverability of long-lived assets is measured by a comparison of the carrying amount of the asset or asset group to the future undiscounted cash flows expected to be generated by that asset group. If the asset or asset group is considered to be impaired, an impairment loss would be recorded to adjust the carrying amounts to the estimated fair value. Management has determined that no impairment of long-lived assets exists, and accordingly, no adjustments to the carrying amounts of the Company's long-lived assets have been made for the periods presented.

Goodwill

The Company records goodwill when the purchase price of a business acquisition exceeds the fair value of net tangible and identifiable intangible assets acquired in a business acquisition. Goodwill is assessed for impairment annually, or more frequently when events or changes in circumstances indicate that the fair value of a reporting unit has more likely than not declined below its carrying value. The Company has determined that it operates its business in one operating segment and one reporting unit and has selected October 1 as the date to perform its annual impairment test.

The Company performs either a qualitative or quantitative assessment to determine if the fair value of its reporting unit exceeds its carrying value. The qualitative goodwill impairment assessment requires evaluating

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. As part of our goodwill qualitative assessment process, we evaluate various factors that are specific to the reporting unit that include, but are not limited to, macroeconomic conditions, industry and market considerations and the overall financial performance of the Company.

When performing the quantitative assessment to calculate the fair value of a reporting unit, we consider both comparative market multiples as well as estimated discounted cash flows for the reporting unit. The significant estimates and assumptions include, but are not limited to, revenue growth rates, operating margins, and future economic and market conditions. The discount rates are based upon the reporting unit's weighted average cost of capital. If an impairment is identified, the next step is to measure the impairment loss by comparing the implied fair value of goodwill with the carrying value of the goodwill for the reporting unit.

The Company performed its annual test in 2017 using a quantitative assessment and determined that it was not more likely than not that the fair value of its reporting unit was less than its carrying amount. The Company believes the quantitative factors considered in the impairment analysis are reasonable, however, significant changes in any one of our assumptions could produce a different result and result in impairment charges that could be material to its consolidated financial statements.

Debt Issuance Costs

Debt issuance costs arising from the Company's borrowings and credit agreements are amortized using the effective interest rate method over the term of the related debt financing. See Note 6—Debt. Debt issuance costs are presented on a net basis along with the associated debt obligation in the consolidated balance sheets.

Deferred Offering Costs

The Company capitalizes certain legal, accounting and other third-party fees that are directly associated with in-process equity financings as other assets until such financings are consummated. After consummation of the equity financing, these costs are recorded in stockholders' equity as a reduction of additional paid-in capital generated as a result of the offering. As of December 31, 2016, the Company had recorded \$1,839,000 of deferred offering costs in connection with an equity financing process. The deferred offering costs were expensed as a charge to operating expense in the statement of income in 2017 in conjunction with the signing of the Merger agreement with Forum.

Income Taxes

Income taxes are provided using an asset and liability method. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. Management's estimate of the income tax rates utilized in the calculation of the deferred income tax balances is based on historical taxable income of the Company, expected future taxable income and corresponding rates.

The Company's operations involve dealing with uncertainties and judgments in the application of complex tax regulations in a multitude of jurisdictions. The Company reports a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return based on its estimate of whether, and the extent to which, additional taxes will be due. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense.

See Note 15—Income Taxes for further discussion on the enactment of the legislation commonly referred to as the Tax Cuts and Jobs Act and the impact to the Company's provision for income taxes.

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Notes to the Consolidated Financial Statements—(Continued)

Transaction Costs

The Company presents transaction costs as a separate line item within operating expenses based on it being a material cost that varies from period to period. Transaction costs include acquisition-related expenses, including integration costs, employee retention bonuses, severance charges, advisory and due diligence fees, and transaction-related legal and accounting due diligence costs. Transaction costs for the year ended December 31, 2017 include the write-off of previously capitalized deferred offering costs.

Advertising Costs

The Company expenses advertising costs as incurred. During the years ended December 31, 2017, 2016 and 2015, advertising costs were \$1,935,000, \$1,903,000 and \$1,312,000, respectively. These amounts were offset by partner funding earned pursuant to shared marketing expense programs recorded as a reduction of selling and administrative expenses.

Product Warranty

The Company provides limited warranties for replacement of defective products for customers who purchase certain types of maintenance support. The Company has not incurred any significant costs associated with these warranties.

Contingencies

From time to time, the Company may be involved in legal matters such as contractual disputes, employment matters, personal injury or property damage claims. While the outcome of such litigation is never certain, management believes the outcomes will not have a material adverse effect on the consolidated financial statements.

Stock-based Compensation

The Company measures and recognizes stock-based compensation expense for all stock-based awards made to employees and directors based on the fair value of the awards as of the date they were each granted and the corresponding expense is recognized over the requisite service period of the awards, both for stock options and restricted stock grants. The Company measures and recognizes stock-based compensation expense for all stock-based awards to non-employees based on the fair value of the award, which is re-measured at the end of each reporting period until vested, and the corresponding expense is recognized over the requisite service period.

The Company uses the Black-Scholes option pricing model to determine the fair value of stock-based awards. The model utilizes the value of the Company's common stock as well as assumptions regarding the award's expected life, risk-free interest rate, expected volatility of the underlying stock, and expected dividends. The specific assumptions the Company uses include the following:

Fair value of the Company's common stock . The fair value of the Company's common stock has historically been determined by management primarily using periodic valuation studies obtained from a third-party valuation firm. In performing its valuation analysis, the valuation firm uses information provided by management and a number of assumptions based on market and economic conditions.

Expected term . We estimate the expected term using the simplified method due to the lack of historical data regarding the expected life of the awards. The simplified method calculates the expected term as the mid-point between the vesting date and the contractual expiration date of the award.

Risk-free interest rate . We use interest rates based on U.S. Treasury yields in effect at the time of grant over the expected term of the award.

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Notes to the Consolidated Financial Statements—(Continued)

Expected volatility . We use the average of the historical volatility of public companies in industries similar to the Company.

Dividends . Based on expected annual dividend payout.

The Company uses judgment in evaluating the factors used in the Black-Scholes pricing model. As a result, if factors change, stock-based compensation expense could be significantly different in the future.

Stock-based compensation expense is classified as sales and marketing expense or general and administrative expense consistent with other compensation expense associated with the award recipient. The Company has not capitalized stock-based employee compensation cost or recognized any significant tax benefits related to these costs.

Partner Funding

The Company receives payments and credits from vendors for various programs, including rebates, volume incentive programs and shared marketing expense programs. Each program varies in length and has varying conditions or achievement targets that determine the amount of consideration the Company is eligible to receive. The Company estimates and recognizes the amount of vendor consideration earned when it is probable and reasonably estimable using the information available or historical data. The Company recognizes vendor consideration as a reduction of either cost of revenue for rebates and volume incentives or operating expenses for shared marketing expenses or marketing development fund programs based on the nature of the consideration earned.

Business Combinations

The Company accounts for business combinations and acquisitions using the acquisition method. The acquisition method requires that the total purchase price of the acquired entity be allocated to the assets acquired and liabilities assumed based on their fair values at the acquisition date. The assets acquired include the analysis and recognition of intangible assets such as customer relationships, trade names, developed technology and contractual rights and the liabilities assumed include contractual commitments and contingencies. Any premium paid over the fair value of the net assets and liabilities acquired is recorded as goodwill in connection with a business combination. The results of operations for an acquired entity are included in the consolidated financial statements from the date of acquisition.

Fair Value Measurements

Fair value is defined under U.S. GAAP as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. U.S. GAAP also provides a fair value hierarchy for valuation inputs to prioritize the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels, which is determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

Level 1: Inputs are quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs are quoted prices in active markets for similar assets or liabilities, or quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable or can be corroborated by observable market data for the asset or liability.

Level 3: Inputs are unobservable for the asset or liability and are supported by little or no market activity. These fair values are determined using pricing models for which the assumptions utilize management's estimates or market participant assumptions.

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Notes to the Consolidated Financial Statements—(Continued)

For those financial instruments with no quoted market prices available, fair value is estimated using present value calculations or other valuation methods, as well as management's best judgment with respect to current economic conditions, including discount rates and estimates of future cash flows.

Other Comprehensive Income (Loss)

The Company did not have any components of other comprehensive income (loss) for any of the periods presented.

Net Income (Loss) Per Share

Basic net income (loss) per share is computed using the two-class method, which includes the weighted-average number of shares of Class A common stock and participating Class B convertible common stock outstanding during the period. In applying the two-class method, net income (loss) is allocated to both participating classes of common stock based on their respective weighted-average shares outstanding for the period. Diluted net income (loss) per share is computed using the weighted-average number of shares of common stock and dilutive potential shares of common stock outstanding during the period. Dilutive potential shares of common stock outstanding includes the dilutive effect of in-the-money service-only condition stock options. The dilutive effect of such equity-classified awards is calculated based on the average share price for each period using the treasury stock method. Under the treasury stock method, the amount the employee must pay for exercising stock options and the amount of compensation cost for future service that the Company has not yet recognized are collectively assumed to be used to repurchase shares.

Reportable Segments

Segment information is required to be presented in accordance with a "management approach," which is the approach used by a Company's chief operating decision-maker when reviewing operating segment information to make decisions, allocate resources and assess performance. An operating segment is defined as a component of the Company (1) that engages in business activities from which it may earn revenue and incur expense, (2) whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and (3) for which discrete financial information is available. The Company has determined that it operates its business in one operating segment - see Note 16—Segment Reporting.

Recently Adopted Accounting Pronouncements

In January 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2017-03, *Accounting Changes and Error Corrections (Topic 250) and Investments-Equity Method and Joint Ventures (Topic 323): Amendments to SEC Paragraphs Pursuant to Staff Announcements at the September 22, 2016 and November 17, 2016 EITF Meetings*. This ASU amends the FASB Accounting Standards Codification ("ASC" or "the Codification") for SEC staff announcements made at recent Emerging Issues Task Force meetings and is effective immediately. The new guidance is intended to provide clarity in relation to the disclosure of the impact that ASU 2014-09 and ASU 2016-02 will have on our consolidated financial statements when adopted. Registrants are required to disclose the effect that recently issued accounting standards will have on their financial statements when adopted in a future period. In cases where a registrant cannot reasonably estimate the impact of the adoption, then additional qualitative disclosures should be considered. The ASU incorporates these SEC staff views into ASC 250 and adds references to that guidance in the transition paragraphs of ASU 2014-09 and ASU 2016-02, which are defined below. The Company believes its disclosures below regarding the impact of recently issued accounting standards to be adopted in a future period are aligned with the guidance in the ASU.

On January 1, 2017, the Company adopted ASU 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory*, which restricts the valuation of inventory to the lower of cost or net realizable value,

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Notes to the Consolidated Financial Statements—(Continued)

which is the estimated selling price in the ordinary course of business less reasonably predictable costs of completion, disposal and transportation. The adoption of ASU 2015-11 did not have a material impact on the consolidated financial statements.

On January 1, 2017, the Company adopted ASU 2016-09, *Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*, which provides areas for simplification in the accounting for share-based payment transactions. Areas included for simplification include, but are not limited to, accounting for income taxes, classification of excess tax benefits on the statement of cash flows, forfeitures and minimum statutory withholding. We elected to continue estimating forfeitures of share-based awards. The adoption of ASU 2016-09 did not have a material impact on the consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04, *Intangibles—Goodwill and Other: Simplifying the Test for Goodwill Impairment* to simplify the subsequent measurement of goodwill by eliminating Step 2 of the goodwill impairment test. If a reporting unit fails Step 1 of the goodwill impairment test, entities are no longer required to compute the implied fair value of goodwill following the same procedure that would be required in determining the fair value of assets acquired and liabilities assumed in a business combination. Instead, the guidance requires an entity to perform its annual or interim goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and to recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. The Company concluded that ASU 2017-04 is preferable to the current guidance due to efficiency, since ASU 2017-04 eliminates the requirement to determine the fair value of individual assets and liabilities of a reporting unit to measure goodwill impairment. The Company early adopted this guidance as of the beginning of the fourth quarter of fiscal 2017. The guidance is applied prospectively and the adoption of this standard did not have any impact on the consolidated financial statements.

Recently Issued Accounting Pronouncements Not Yet Adopted

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which outlines a single, comprehensive model for accounting for revenue from contracts with customers, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, which defers the effective date of ASU 2014-09 by one year, making it effective for annual reporting periods beginning after December 15, 2018 and interim periods within that fiscal year, with early adoption permitted.

The FASB has issued the following additional ASUs to amend the guidance in ASU 2014-09, all of which have effective dates concurrent with the effective date of ASU 2014-09:

- (1) In March 2016, the FASB issued ASU 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*, which clarifies the implementation guidance on principal versus agent considerations within the new revenue recognition standard.
- (2) In April 2016, the FASB issued ASU 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing*, which enhances the guidance around identifying performance obligations in customer contracts within the new revenue recognition standard.
- (3) In May 2016, the FASB issued ASU 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-scope Improvements and Practical Expedients*, which provides additional guidance around certain areas of the new revenue recognition standard. These areas include, but are not limited to, assessing the collectability criterion, presentation of sales taxes and accounting for noncash consideration.

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

- (4) In December 2016, the FASB issued ASU 2016-20, *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers*, which provides additional guidance around narrow areas of the new revenue recognition standard. These areas include, but are not limited to, contract costs and modifications and remaining performance obligations.

The Company does not intend to early adopt the new revenue recognition guidance and therefore all of the ASUs noted above will be effective for us for the year ending December 31, 2019. The Company expects to begin evaluating the effect of the revenue recognition ASUs during the second quarter of 2018. The evaluation will include selecting a transition method for these revenue recognition ASUs and determining the effect that the updated standards will have on the historical and future consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which changes the accounting for leases in order to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The guidance in this ASU supersedes the leasing guidance in *Topic 840, Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The standard has an effective date for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years, with early adoption permitted. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company does not currently intend to early adopt the new leasing guidance and therefore ASU 2016-02 will be effective for us for the year ending December 31, 2020. The Company has not yet begun to evaluate the effect of the new guidance on the consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Receipts and Cash Payments*, to address diversity in practice regarding the presentation of eight specific cash flow situations. These situations include, but are not limited to, debt prepayment and debt extinguishment costs and contingent consideration payments made after a business combination. The standard has an effective date for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact that the standard will have on the consolidated financial statements.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, to clarify the definition of a business and add guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The standard has an effective date for annual periods beginning after December 15, 2018, and interim periods within those annual periods, with early adoption permitted. The Company is currently evaluating the impact that the standard will have on the consolidated financial statements.

In May 2017, the FASB issued ASU No. 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting*, which clarifies that modification accounting is required only if the fair value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the changes in terms or conditions. ASU 2017-09 is effective for fiscal years beginning after December 15, 2017, and interim periods within those annual periods, with early adoption permitted. The amendments in this standard should be applied prospectively to an award modified on or after the adoption date. The Company is currently evaluating the impact that the standard will have on the consolidated financial statements, but does not believe this update will have a significant impact.

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

2. Business Acquisitions

Acquisitions were accounted for as business combinations and the assets acquired and liabilities assumed were recognized based on the estimated fair values at the acquisition date as determined by the Company's management, using information currently available and current assumptions as to projections of future events and operating performance, and consideration of market conditions.

2017 Acquisitions

Annese & Associates, Inc.

On July 14, 2017, the Company, through its subsidiary ConvergeOne, acquired Annese & Associates, Inc. ("Annese") for cash consideration of \$24,483,000 plus additional consideration of up to \$4,000,000, contingent upon the achievement of certain gross profit targets for the twelve months ending June 30, 2018. The Company incurred transaction costs of \$778,000 related to the acquisition and included the amount in transaction costs on the consolidated statements of income for the year ended December 31, 2017.

The Company estimated the fair value of the contingent consideration to be approximately \$956,000, based upon information currently available and current assumptions as to projections of future events and operating performance, and consideration of market conditions. Payment of the additional consideration, if any, is due during the third quarter of 2018. As of December 31, 2017, the fair value of contingent consideration of \$956,000 is included in Accrued other liabilities in the Consolidated Balance Sheets.

Based on the fair value measurement of the assets acquired and liabilities assumed, the Company paid a premium over the fair value of the net tangible and identified intangible assets acquired, resulting in goodwill of approximately \$9,906,000. The purchase price of the Annese acquisition was finalized in December 2017 resulting in a decrease of \$1,550,000. The premium paid is attributed to Annese's presence in the business communications industry and its growth potential. Goodwill recognized is deductible for income tax purposes.

Since the acquisition date of July 14, 2017, \$36,385,000 of revenue and \$1,648,000 of net income are included in the accompanying consolidated statements of income for the year ended December 31, 2017.

As a result of the acquisition, a portion of the consideration, approximately \$2,776,000, was placed in an escrow account. The funds in the escrow account are to secure the sellers' and the Company's indemnification obligations in the purchase agreement and for any post-closing purchase price adjustments. On December 18, 2017, the purchase price escrow of \$200,000 was released to the Company. The remaining funds held in escrow of \$2,576,000 after settlement of indemnification claims of the buyer will be paid to the sellers at a future date and are included in cash consideration paid in the table below.

The fair value of accounts receivable was adjusted for approximately \$2,323,000 for amounts not expected to be collected.

SPS Holdco, LLC

On August 16, 2017, the Company, through its subsidiary ConvergeOne, acquired SPS Holdco, LLC ("SPS") for cash consideration of \$51,125,000. The Company incurred transaction costs of \$581,000 related to the acquisition and included the amount in transaction costs on the consolidated statements of income for the year ended December 31, 2017.

Based on the fair value measurement of the assets acquired and liabilities assumed, the Company paid a premium over the fair value of the net tangible and identified intangible assets acquired, resulting in goodwill of approximately \$18,834,000. The purchase price of the SPS acquisition was finalized in December 2017 resulting in a decrease of \$8,000,000. The premium paid is attributed to SPS's presence in the business communications industry and its growth potential. Goodwill recognized is deductible for income tax purposes.

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Notes to the Consolidated Financial Statements—(Continued)

Since the acquisition date of August 16, 2017, \$91,576,000 of revenue and \$1,410,000 of net loss are included in the accompanying consolidated statements of income for the year ended December 31, 2017.

As a result of the acquisition, a portion of the consideration, approximately \$8,000,000, was placed in an escrow account for any post-closing purchase price adjustments. On December 18, 2017, the full amount of the escrow of \$8,000,000 was released to the Company.

The fair value of accounts receivable was adjusted for approximately \$3,148,000 for amounts not expected to be collected.

Rockefeller Group Technology Solutions, Inc.

On September 15, 2017, the Company, through its subsidiary ConvergeOne, acquired Rockefeller Group Technology Solutions, Inc. (“RGTS”) for cash consideration of \$20,862,000. The Company incurred transaction costs of \$612,000 related to the acquisition and included the amount in transaction costs on the consolidated statements of income for the year ended December 31, 2017.

Based on the fair value measurement of the assets acquired and liabilities assumed, the Company paid a premium over the fair value of the net tangible and identified intangible assets acquired, resulting in goodwill of approximately \$5,471,000. The purchase price of the RGTS acquisition was finalized in January 2018 resulting in an increase of \$10,000. The premium paid is attributed to RGTS’s presence in the business communications industry and its growth potential. Goodwill recognized is deductible for income tax purposes.

Since the acquisition date of September 15, 2017, \$8,242,000 of revenue and \$192,000 of net income are included in the accompanying consolidated statements of income for the year ended December 31, 2017.

As a result of the acquisition, a portion of the consideration, approximately \$2,200,000, was placed in an escrow account. The total escrow is included in cash consideration paid in the table below. The funds in the escrow account are to secure the sellers’ and the Company’s indemnification obligations in the purchase agreement and for any post-closing purchase price adjustments. In January 2018, the purchase price escrow of \$600,000 was released to the sellers. The remaining funds held in escrow after settlement of indemnification claims of the buyer will be paid to the sellers at a future date and are included in cash consideration paid in the table below.

The fair value of accounts receivable was adjusted for approximately \$565,000 for amounts not expected to be collected.

AOS, Inc.

On December 15, 2017, the Company, through its subsidiary ConvergeOne, acquired AOS, Inc. (“AOS”) for cash consideration of \$65,859,000. The Company incurred transaction costs of \$459,000 related to the acquisition and included the amount in transaction costs on the consolidated statements of income for the year ended December 31, 2017.

The acquisition fair value measurement is preliminary and subject to completion of the valuation of AOS and further management reviews and assessments of the preliminary fair value of the assets acquired and liabilities assumed. The adjustments arising from the completion of the outstanding matters may materially affect the preliminary purchase accounting. The purchase price allocation will be finalized as soon as practicable within the measurement period, but not later than one year following the acquisition date.

Based on the preliminary fair value measurement of the assets acquired and liabilities assumed, the Company paid a premium over the fair value of the net tangible and identified intangible assets acquired,

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

resulting in preliminary goodwill of approximately \$40,460,000. The premium paid is attributed to AOS's presence in the business communications industry and its worth potential. Goodwill recognized is deductible for income tax purposes.

Since the acquisition date of December 15, 2017, \$12,802,000 of revenue and \$1,275,000 of net income are included in the accompanying consolidated statements of income for the year ended December 31, 2017.

As a result of the acquisition, a portion of the consideration, approximately \$1,945,000, was placed in an escrow account. The total escrow is included in cash consideration paid in the table below. The funds in the escrow account are to secure the sellers' and the Company's indemnification obligations in the purchase agreement and for any post-closing purchase price adjustments. The funds held in escrow after settlement of indemnification claims of the buyer will be paid to the sellers at a future date.

The fair value of accounts receivable was adjusted for approximately \$500,000 for amounts not expected to be collected.

The following summarizes the fair value of the assets acquired and liabilities assumed (in thousands) for acquisitions completed in 2017:

	<u>Annese</u>	<u>SPS</u>	<u>RGTS</u>	<u>AOS</u>	<u>Total</u>
Assets Acquired:					
Cash	\$ 92	\$ 8,426	\$ —	\$ 10,886	\$ 19,404
Trade accounts receivable	12,321	34,543	1,685	22,321	70,870
Inventories	3,161	6,264	20	3,057	12,502
Prepaid expenses	2,492	1,823	1,501	645	6,461
Deferred customer support contract costs	—	14,366	—	—	14,366
Deferred income taxes	1,326	10,448	—	—	11,774
Property and equipment	960	15,146	4,394	1,417	21,917
Goodwill	9,906	18,834	5,471	40,460	74,671
Customer relationships	7,418	25,985	8,131	19,300	60,834
Trademarks	514	804	—	1,350	2,668
Noncompetition agreements	—	—	465	1,500	1,965
Total assets acquired	<u>38,190</u>	<u>136,639</u>	<u>21,667</u>	<u>100,936</u>	<u>297,432</u>
Liabilities Assumed:					
Accounts payable and accrued expenses	(11,135)	(51,376)	(805)	(33,210)	(96,526)
Customer deposits	(29)	(7,547)	—	(1,867)	(9,443)
Deferred revenue	(1,587)	(26,591)	—	—	(28,178)
Total liabilities assumed	<u>(12,751)</u>	<u>(85,514)</u>	<u>(805)</u>	<u>(35,077)</u>	<u>(134,147)</u>
Net assets acquired	<u>\$ 25,439</u>	<u>\$ 51,125</u>	<u>\$20,862</u>	<u>\$ 65,859</u>	<u>\$ 163,285</u>

The expected lives of the acquired amortizable intangible assets are five years for customer relationships, two years for trademarks and 2-3 years for noncompetition agreements. See Note 10 for further discussion of the fair value of the acquired tangible and intangible assets.

Deferred income tax assets acquired relate primarily to deferred revenue.

The fair value measurements for AOS are preliminary including the fair value of tangible assets, intangible assets subject to amortization, goodwill, liabilities assumed, and deferred income taxes. The fair value measurements for Annese, SPS and RGTS were final at December 31, 2017, with the exception of the fair value of accounts receivable, inventory excess and obsolescence reserves, accrued expenses, and deferred income

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

taxes. We expect the fair value measurement process to be completed no later than one year from the acquisition date. Purchase price and fair value adjustments to preliminary amounts were made during the fourth quarter of 2017 as follows:

	<u>Annese</u>	<u>SPS</u>	<u>RGTS</u>
Net assets acquired as at September 30, 2017	\$30,033	\$59,125	\$20,852
Purchase price and fair value adjustments: Increase (decrease):			
Current assets	(480)	(4,710)	(206)
Property and equipment	—	(5,209)	31
Goodwill	(7,803)	(4,594)	(3,715)
Intangible assets	2,193	4,899	4,000
(Increase) decrease:			
Current liabilities	170	(8,834)	(100)
Deferred income taxes	1,326	10,448	—
	<u>(4,594)</u>	<u>(8,000)</u>	<u>10</u>
Net assets acquired as at December 31, 2017	<u>\$25,439</u>	<u>\$51,125</u>	<u>\$20,862</u>

Unaudited Pro-Forma Information

Following are the supplemental consolidated results of the Company on an unaudited pro forma basis, as if the 2017 acquisitions had been consummated on January 1, 2016 for the year ended December 31, 2016 and 2017 (in thousands):

	<u>Year Ended</u> <u>December 31,</u>	
	<u>2017</u>	<u>2016</u>
Revenue	\$ 1,307,148	\$ 1,414,520
Net (loss) income	\$ (21,915)	\$ 3,960

These pro forma results were based on estimates and assumptions, which the Company believes are reasonable. They are not the results that would have been realized had the Company been a combined company during the periods presented and are not necessarily indicative of consolidated results of operations in future periods. The pro forma results include adjustments primarily related to purchase accounting adjustments.

5 Acquisitions

SIGMAnet, Inc.

On December 4, 2015, the Company, through its subsidiary Solutions, acquired SIGMAnet for cash consideration of \$47,851,000. The acquisition was accounted for as a business combination. Accordingly, the purchase price was allocated to the assets acquired and liabilities assumed based on the estimated fair values at the acquisition date as determined by the Company's management, using information currently available and current assumptions as to projections of future events and operating performance, and consideration of market conditions.

The Company paid a premium over the fair value of the net tangible and identified intangible assets acquired, resulting in goodwill recorded of \$27,820,000. The premium paid is attributed to SIGMAnet's presence in the business communications industry and its growth potential. Goodwill recognized is deductible for income tax purposes. The results of the acquisition are included in the accompanying consolidated statements of income from the acquisition date forward.

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

As of December 31, 2015, the purchase price was allocated on a preliminary basis to the tangible and identifiable intangible assets acquired and the liabilities assumed based on the estimated fair values at the acquisition date, as determined by the Company's management, based upon information currently available, current assumptions as to future operations, and consideration of market conditions. Due to the timing of the acquisition, the Company did not complete the final purchase price allocation until 2016. Adjustments to the preliminary amounts during the measurement period, which were the result of information that existed as of the acquisition date, were recognized prospectively. The adjustments resulted in an increase in goodwill of \$13,634,000, a decrease in finite-life intangibles of \$12,567,000, a decrease in tangible assets of \$1,345,000, and an increase in accounts payable and accrued expenses of \$787,000. The impact on the consolidated statement of income was a decrease in cost of revenue of \$157,000 and a decrease in operating expenses of \$60,000 and an increase in income before income taxes of \$217,000.

As a result of the acquisition, a portion of the consideration, \$2,925,000, was placed in an escrow account. All of the escrow was released to the sellers in 2016 and is included in cash consideration paid in the table below.

The fair value of accounts receivable was adjusted for approximately \$2,202,000 for amounts not expected to be collected.

Sunturn, Inc.

On May 19, 2015, the Company, through its subsidiary NACR, acquired all of the outstanding stock of Sunturn for cash consideration of \$8,744,000. The acquisition was accounted for as a business combination. Accordingly, the purchase price has been allocated to the assets acquired and liabilities assumed based on the estimated fair values at the acquisition date as determined by the Company's management, using information currently available and current assumptions as to projections of future events and operating performance, and consideration of market conditions.

The Company paid a premium over the fair value of the net tangible and identified intangible assets acquired, resulting in goodwill recorded of \$2,813,000. The premium paid is attributed to Sunturn's presence in the business communications industry and its growth potential. Goodwill recognized is deductible for income tax purposes. The results of the acquisition are included in the accompanying consolidated statements of income from the acquisition date forward.

During 2016, the Company settled the working capital adjustment provision of the purchase agreement with the sellers resulting in an increase in goodwill of \$650,000.

The fair value of accounts receivable was adjusted for approximately \$95,000 for amounts not expected to be collected.

MSN Communications, Inc.

On May 19, 2015, the Company, through its subsidiary Solutions, acquired all of the outstanding stock of MSN for cash consideration of \$18,817,000. The acquisition was accounted for as a business combination. Accordingly, the purchase price has been allocated to the assets acquired and liabilities assumed based on the estimated fair values at the acquisition date as determined by the Company's management, using information currently available and current assumptions as to projections of future events and operating performance, and consideration of market conditions.

The Company paid a premium over the fair value of the net tangible and identified intangible assets acquired, resulting in goodwill recorded of \$6,971,000. The premium paid is attributed to MSN's presence in the business communications industry and its growth potential. Goodwill recognized is deductible for income tax purposes. The results of the acquisition are included in the accompanying consolidated statements of income from the acquisition date forward.

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

During 2016, the Company settled the working capital adjustment provision of the purchase agreement with the sellers resulting in an increase in goodwill of 72,000, which was accounted for prospectively. In addition, the Company finalized the fair value determination of accounts payable and accrued expenses as of acquisition date, which was accounted for prospectively. The final determination of accounts payable and accrued expenses resulted in a decrease in goodwill of \$237,000.

The fair value of accounts receivable was adjusted for approximately \$805,000 for amounts not expected to be collected.

The following summarizes the estimated fair value of the assets acquired and liabilities assumed (in thousands) for acquisitions completed in 2015:

	<u>Sigmanet</u>	<u>Sunturn</u>	<u>MSN</u>	<u>Total</u>
Assets Acquired:				
Cash	\$ 6,537	\$ 1,038	\$ 1,035	\$ 8,610
Trade accounts receivable	27,206	5,899	17,459	50,564
Inventories	1,055	—	—	1,055
Prepaid expenses	167	144	191	502
Deferred income taxes	363	—	—	363
Property and equipment	1,973	312	700	2,985
Goodwill	27,820	2,813	6,971	37,604
Customer relationships	10,336	4,482	11,493	26,311
Trademarks	1,842	199	757	2,798
Noncompetition agreements	164	86	351	601
Total assets acquired	<u>77,463</u>	<u>14,973</u>	<u>38,957</u>	<u>131,393</u>
Liabilities Assumed:				
Accounts payable and accrued expenses	(28,462)	(5,429)	(17,818)	(51,709)
Customer deposits	(1,072)	(800)	(2,322)	(4,194)
Deferred revenue	(78)	—	—	(78)
Total liabilities assumed	<u>(29,612)</u>	<u>(6,229)</u>	<u>(20,140)</u>	<u>(55,981)</u>
Net assets acquired	<u>\$ 47,851</u>	<u>\$ 8,744</u>	<u>\$ 18,817</u>	<u>\$ 75,412</u>

*** Trade Accounts Receivable**

The following is a roll forward of our allowance for doubtful accounts (in thousands):

	December 31,		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Balance at beginning of period	\$1,024	\$ 383	\$ 150
Amounts expensed	1,006	1,090	353
Deductions (1)	(550)	(449)	(120)
Balance at end of period	<u>\$1,480</u>	<u>\$1,024</u>	<u>\$ 383</u>

(1) Deductions include actual accounts written off, net of recoveries.

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

4. Property and Equipment

Property and equipment and accumulated depreciation is as follows (in thousands):

	Estimated Useful Lives	December 31,	
		2017	2016
Furniture, fixtures and equipment	Five to 10 years	\$ 31,858	\$ 10,413
Software	3 years	21,172	14,265
Leasehold improvements	Lesser of life or lease term	3,855	1,755
		56,885	26,433
Less accumulated depreciation		(20,226)	(11,078)
		<u>\$ 36,659</u>	<u>\$ 15,355</u>

5. Goodwill and Finite-Life Intangible Assets

Goodwill

The changes in the carrying amount of goodwill is as follows (in thousands):

	December 31,		
	2017	2016	2015
Balance at beginning of period	\$258,570	\$244,351	\$220,966
Acquisitions	74,671	—	23,385
Measurement period adjustments	—	14,219	—
Other	(1,785)	—	—
Balance at end of period	<u>\$331,456</u>	<u>\$258,570</u>	<u>\$244,351</u>

During the year ended December 31, 2016, goodwill increased by \$14,219,000 associated with measurement period adjustments to acquisitions made in 2015. During the year ended December 31, 2017, goodwill increased by \$74,671,000 associated with acquisitions made in 2017 including measurement period adjustments for those acquisitions. Measurement period adjustments were recorded prospectively under ASU 2015-16. See Note 2—Business Acquisitions for further discussion.

Finite-life Intangibles

In connection with business acquisitions the Company acquired certain customer relationships, trademarks, noncompetition agreements, and internally developed software. The Company's management determined, based upon information available at the time of acquisition and on certain assumptions as to future operations and market considerations, the values of the finite-life intangibles as follows: trademarks, using the relief from royalty method; and customer relationships, noncompetition agreements and internally developed software using, in part, a discounted cash flow method. The amortization periods were estimated by management, considering both the economic and legal lives, as well as the expected period of benefit.

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

Finite-life intangible assets consist of the following (in thousands):

	December 31,		Useful Life (Years)	Weighted-Average Remaining Life (Years) ⁽¹⁾
	2017	2016		
Customer relationships	\$208,451	\$147,617	5–10	5.4
Trademarks	38,546	35,878	2–10	6.0
Noncompetition agreements	6,241	4,276	1–5	4.4
Internally developed software	541	541	10	6.8
	<u>253,779</u>	<u>188,312</u>		
Less accumulated amortization	(80,137)	(53,692)		
Finite-life intangibles, net	<u>\$173,642</u>	<u>\$134,620</u>		

(1) As of December 31, 2017

During the years ended December 31, 2017, 2016 and 2015, aggregate amortization expense was \$26,445,000, \$22,456,000, and \$20,247,000, respectively. Based on the recorded intangible assets at December 31, 2017, estimated amortization expense is expected to be as follows (in thousands):

Years Ending December 31,	
2018	\$ 34,747
2019	34,535
2020	31,190
2021	28,062
2022	23,869
2023 and thereafter	21,239
Total	<u>\$ 173,642</u>

6. Debt

Long-term debt consists of the following (in thousands):

	December 31,	
	2017	2016
Revolving line-of-credit	\$ 20,000	\$ —
Term loan facility	562,325	—
First lien term loan	—	324,138
Second lien term loan	—	80,000
Total long-term debt	582,325	404,138
Less unamortized original issue discount	(5,623)	(2,761)
Less unamortized deferred financing costs	(4,626)	(9,089)
Total long-term debt, net of debt issuance costs	572,076	392,288
Less current maturities	(5,652)	(3,324)
Long-term debt, net	<u>\$566,424</u>	<u>\$388,964</u>

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

June 2017 Credit Facilities

Senior Secured Term Loan

On June 20, 2017, Holdings and our subsidiary, and direct corporate parent of Holdings, C1 Intermediate Corp. (“Intermediate”) entered into a Term Loan Agreement (the “Term Loan Agreement”) with JPMorgan Chase Bank, N.A. as the administrative agent and collateral agent. The Term Loan Agreement provides for senior secured term loans in the aggregate principal amount of \$430,000,000 (the “Term Loans”). A portion of the proceeds of the Term Loans were used to repay the June 2014 Credit Facilities described below and to pay debt issuance costs. The remaining proceeds will be used for working capital needs and general corporate purposes.

Principal installments in the amount of \$1,413,000 are due on the last business day of each quarter, commencing September 30, 2017, with the remaining outstanding principal amount to be paid on its maturity date of June 20, 2024.

The obligations under the Term Loan Agreement are unconditionally and irrevocably guaranteed by Intermediate and certain restricted subsidiaries of Holdings. In addition, the obligations under the Term Loan Agreement are secured by a first priority lien on substantially all assets of Holdings and each guarantor, except for the assets secured by a first priority lien under the Revolving Loan Credit Agreement discussed below, on which the Company has granted a second priority lien to secure the obligations under the Term Loan Agreement. In connection with the Term Loan Agreement, Intermediate, Holdings and its restricted subsidiaries are subject to various restrictive covenants, including, among other things, restrictions on dividends. In January, 2018, the Term Loan Agreement was amended to further define restricted payments and other terms in connection with the proposed Merger with Forum. Prepayments of principal are required under the agreement based upon a calculation of excess cash flows commencing with the year ending December 31, 2018.

The Company is permitted to repay outstanding Term Loans at any time without premium or penalty, unless such payment is made prior to June 20, 2018 in connection with a repricing transaction as described in the Term Loan Agreement, in which case the Company is required to pay a premium of 1% of the Term Loans so prepaid.

The Term Loans bear interest at 3.75% above the alternate base rate or 4.75% above the Eurodollar rate as described in the agreement. Interest on the Eurodollar rate Term Loans is payable on the last day of the Interest Period, as defined in the Term Loan Agreement, and interest on alternate base rate Term Loans is payable on the last day of each quarter. Borrowings under the Term Loans had an interest rate of 6.45% at December 31, 2017.

The Company incurred financing transaction costs of approximately \$4,778,000 and an original issue discount of \$4,300,000 related to the Term Loan Agreement which the Company will amortize over the term of the credit agreement.

In July, 2017, Holdings borrowed an additional \$75,000,000 of term loans under an incremental amendment to the Term Loan Agreement, which loans are of the same class of, and on the same terms as, the initial Term Loans. Proceeds from the incremental amendment were used for the Annese and SPS acquisitions, discussed in Note 2.

In October, 2017, Holdings borrowed an additional \$60,000,000 of term loans under an incremental amendment to the Term Loan Agreement, which loans are part of the same class of, and on the same terms as, the initial Term Loans. Proceeds from the incremental amendment were used to acquire AOS, discussed in Note 2—Business Acquisitions.

The Company incurred financing transaction costs of approximately \$2,208,000 and an original issue discount of \$713,000 related to the incremental term loan joinder agreements. The Company expensed

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

\$1,793,000 of direct issuance costs incurred within interest expense on the consolidated statement of income and will amortize \$1,128,000 over the remaining term of the credit agreement.

Senior Secured Revolving Loan Facility

On June 20, 2017, Holdings and Intermediate entered into a Revolving Loan Credit Agreement (the “Revolver Agreement”) with Wells Fargo Commercial Distribution Finance, LLC (“Wells Fargo”) as the administrative agent and collateral agent and as Floorplan Funding Agent. The Revolver Agreement provides a senior secured revolving loan facility of \$150,000,000 aggregate principal amount of revolving loans and amends and restates the existing floorplan agreement with Wells Fargo in order to extend credit in the form of a floorplan subfacility. The Revolver Agreement matures on June 20, 2022.

The obligations under the Revolver Agreement are unconditionally and irrevocably guaranteed by Intermediate and certain restricted subsidiaries of Holdings. The obligations under the Revolver Agreement are secured by a first priority lien on the receivable accounts, inventory, and deposit and securities accounts, and a second priority lien on substantially all of the other assets of Holdings and each guarantor. The aggregate principal amount of the revolving loans and floorplan advances is limited to a Borrowing Base as defined by the Revolver Agreement, reduced by outstanding letters of credit. Mandatory prepayments are required in the event that the sum of the outstanding principal amount of the revolving loans, letter of credit and floorplan advances exceeds the less of (i) the aggregate revolving commitments of \$150,000,000 or (ii) the Borrowing Base, in an amount equal to the excess.

The Revolver Agreement contains a number of covenants including, among other things, requirements to maintain certain financial ratios and restrictions on dividends. If the Revolving Exposure, as described in the Revolver Agreement, exceeds the less of the revolving loan commitments or the borrowing base, the Revolver Agreement requires the Company to prepay outstanding Revolving Loans in an aggregate amount equal to such excess. The Company is permitted to repay outstanding Revolving Loans at any time without premium or penalty.

Borrowings under the Revolver Agreement bear interest at rates ranging from 0.25% to 0.75% above the alternate base rate or from 1.25% to 1.75% above the Eurodollar rate as described in the Revolver Agreement, in each case based on availability under the Revolver Agreement as of such interest payment date. A commitment fee equal to 0.250% or 0.375% per annum (based on availability under the Revolver Agreement) times the average daily unused amount of the available revolving commitments is payable on the last day of each quarter.

At December 31, 2017, the Borrowing Base was \$150,000,000. There were no letters of credit outstanding, the outstanding balance on the revolver was \$20,000,000 and the outstanding floorplan balance was \$32,322,000; therefore, the maximum borrowing available was \$97,678,000 at December 31, 2017.

The Company incurred financing transaction costs of approximately \$927,000 related to the Revolver Agreement which the Company will amortize over the term of the agreement.

2014 Credit Facilities

In June 2014, Holdings, Intermediate and certain subsidiaries of Holdings obtained financing from a loan syndication with several lenders and entered into first and second lien credit agreements containing a revolving line-of-credit commitment and two term loans totaling \$270,000,000. Principal installments were due quarterly through June 17, 2020 on the first lien term loan; the second lien term loan was payable in full on June 17, 2021. The revolving line-of-credit commitment had a maximum borrowing availability of \$25,000,000, which was reduced by outstanding letters of credit, through June 17, 2019, if any. In May 2015, Holdings borrowed an additional \$50,000,000 under an incremental joinder agreement related to the first lien term loan.

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

Borrowings under the credit agreements were secured by substantially all assets of Holdings, Intermediate and each guarantor. In connection with the credit agreements, Holdings, Intermediate and each guarantor were subject to various restrictive covenants, including, among other things, requirements to maintain certain financial ratios and restrictions on dividends. Prepayments of principal were required under the agreements for the first lien and second lien term loans based upon a calculation of excess cash flows commencing with the year ending December 31, 2015. There were no prepayments of principal required at December 31, 2015 or 2016.

Advances under the revolving line of credit bore interest at 4.00% (applicable margin) above the base rate or 5.00% above the Eurocurrency rate as defined in the agreement. Borrowings under the first and second lien term loans bore interest at 4.00% and 7.00%, respectively, above the base rate or 5.00% and 8.00%, respectively, above the Eurocurrency rate as defined in the agreement. Interest is payable on the last day of the interest period as defined in the agreements.

In October 2016, the first and second lien credit agreements including the revolving line-of-credit commitment were amended. Holdings borrowed an additional \$90,000,000 on the first lien term loan. Interest on borrowings under the first and second lien term loans increased to 4.375% and 8.00%, respectively, above the base rate or 5.375% and 9.00%, respectively, above the Eurocurrency rate as defined in the agreements. Principal installments on the first lien term loan increased to \$831,000 payable quarterly through June 17, 2020. The maximum borrowing availability of the revolver increased \$40,000,000 to \$65,000,000. There was no change in the maturity dates. The additional funds borrowed were used to pay dividends to Class A Common stockholders as discussed in Note 7—Stockholders' Equity (Deficit).

Certain lenders did not participate in the amendment to the credit agreements, therefore the amendment was accounted for as a debt modification with respect to amounts that remained in the syndicate and debt extinguishment with respect to the amounts that exited the syndicate. In accordance with the applicable accounting guidance for debt modification and extinguishment, and for interest costs accounting, the Company expensed \$1,470,000 in extinguishment costs incurred, the remaining unamortized debt issuance costs of \$989,000 and the remaining unamortized original issue discount of \$288,000 relating to the amounts that exited the syndicate and amounts considered "substantially different." The Company reported these expenses within interest expense on the consolidated statement of income for the year ended December 31, 2016.

The Company incurred financing transaction costs of approximately \$6,068,000 related to the amendments and an original issue discount \$1,350,000. In accordance with the accounting for debt modification, the Company expensed \$1,739,000 of direct issuance costs incurred within interest expense on the consolidated statement of income and will amortize \$5,679,000 over the remaining term of the credit agreement.

In March 2017, the Company entered into an incremental term loan joinder agreement with its lender to increase the first lien term loan commitments in an aggregate amount of \$50,000,000, subject to various terms and conditions. The interest rates, security agreement, restrictive covenants, and maturity date was the same as the outstanding first lien term loans. There was a commitment fee for the unused portion of the incremental term loan.

The Company incurred financing transaction costs of approximately \$703,000 related to the incremental term loan joinder agreement. The Company expensed \$556,000 of direct issuance costs incurred within interest expense on the consolidated statement of income and will amortize \$147,000 over the remaining term of the credit agreement.

The Company made an initial \$10,000,000 draw under the new agreement for working capital purposes in March 2017 and received proceeds of \$9,353,000, net of related fees and expenses.

Borrowings under the first and second lien term loans had interest rates of 6.00% and 9.00%, respectively, at December 31, 2015. Borrowings under the first and second lien term loans had interest rates of 6.375% and 10.00%, respectively, at December 31, 2016. The interest rate on the revolving line-of-credit balance was 6.00% as of December 31, 2015 and 2016, but can vary depending upon whether the Company elects to use the

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

Eurocurrency rate or the base rate. A commitment fee is charged at 0.50% on the amount by which the revolving line-of-credit commitment exceeds the outstanding line-of-credit balance. There were no letters of credit outstanding at either December 31, 2015 or 2016; therefore, the maximum borrowing available was \$25,000,000 at December 31, 2015 and \$65,000,000 at December 31, 2016.

On June 20, 2017, concurrent with entering into the Term Loan Agreement and Revolver Agreement, we terminated the June 2014 Credit Facilities including the first and second lien credit agreements containing a revolving line-of-credit commitment. We accounted for this termination as debt extinguishment and in accordance with the applicable accounting guidance for debt modification and extinguishment, and for interest costs accounting, the Company expensed \$3,353,000 in extinguishment costs incurred, the remaining unamortized debt issuance costs of \$2,388,000 and the remaining unamortized original issue discount of \$7,897,000 relating to the June 2014 Credit Facilities. The Company reported these expenses within interest expense on the consolidated statement of income for the year ended December 31, 2017.

Floor Planning Facilities

In February 2016, a distribution financing agreement was signed with GE Commercial Distribution Finance Corporation (“GE”), for financing inventory purchases. The agreement provided for a \$10,000,000 credit limit collateralized by certain accounts receivable balances. Advances under the agreement must be paid within 60 days or by the end of the free flooring period (which ranges from 45-90 days) to avoid interest charges. Any balances not paid within the terms would accrue interest at prime rate but not less than 4.25% plus 0.50%. In March 2016, Wells Fargo & Company purchased GE and a new agreement was signed with Wells Fargo Commercial Distribution Finance, LLC (“Wells Fargo”), in April 2016 with a base credit line of \$20,000,000. The outstanding balance at December 31, 2016 was \$9,677,000 and is included in accounts payable on the consolidated balance sheets.

In March 2017, the Company amended and restated the foregoing existing floor planning facilities with Wells Fargo pursuant to an amended and restated inventory financing agreement. The agreement allowed for the purchase of inventory up to certain limitations of eligible accounts receivable and inventory balances. Advances under the agreement are collateralized by accounts receivable and inventory subject to the agreement. The facility available to the Company under the agreement is a discretionary facility with a former base credit line of up to \$65,000,000. Advances under the agreement must have been paid within 60 days or by the end of the free flooring period (which ranges from 45-90 days) to avoid interest charges. Any balances not paid within the terms would accrue interest at the prime rate but not less than 4.25% plus 0.50%.

On June 20, 2017, concurrent with entering into the Revolver Agreement, the Company amended and restated the foregoing existing floor planning facilities with Wells Fargo to extend credit in the form of floorplan advances up to an aggregate principal amount of \$150,000,000. If advances under the agreement are not paid within 60 days or by the end of the free flooring period (which ranges from 45-90 days), the floorplan advance automatically converts to a revolving loan subject to terms under the Revolver Agreement.

The outstanding balance of floorplan advances at December 31, 2017 was \$32,322,000 and is included in accounts payable on the consolidated balance sheets.

Debt Issuance Costs

The Company amortizes original issue discount and deferred financing costs (debt issuance cost) using the effective interest method over the life of the related instrument, and such amortization is included in interest expense in the consolidated statements of income.

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

Debt issuance costs are as follows (in thousands):

	<u>Revolving Line of Credit</u>	<u>Term Loan</u>	<u>First Lien Term Loan</u>	<u>Second Lien Term Loan</u>	<u>Total</u>
Balance as of December 31, 2014	\$ 321	\$ —	\$ 6,873	\$ 3,276	\$ 10,470
Additions	—	—	1,418	—	1,418
Amortization	(72)	—	(1,449)	(507)	(2,028)
Balance as of December 31, 2015	249	—	6,842	2,769	9,860
Additions	2,393	—	2,567	719	5,679
Extinguishment	—	—	(35)	(1,242)	(1,277)
Amortization	(253)	—	(1,675)	(484)	(2,412)
Balance as of December 31, 2016	2,389	—	7,699	1,762	11,850
Additions	927	10,206	147	—	11,280
Extinguishment	(1,933)	—	(6,775)	(1,577)	(10,285)
Amortization	(554)	(786)	(1,071)	(185)	(2,596)
Balance as of December 31, 2017	<u>\$ 829</u>	<u>\$ 9,420</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 10,249</u>

Long-term Debt Maturities

The approximate future principal payments on long-term debt at December 31, 2017, is as follows (in thousands):

<u>Years Ending December 31,</u>	<u>Debt</u>
2018	\$ 5,652
2019	5,652
2020	5,652
2021	5,652
2022	5,652
2023 and thereafter	534,065
Total	562,325
Revolving line-of-credit	20,000
Less unamortized debt issuance costs	(10,249)
Total debt	<u>\$572,076</u>

7. Stockholders' Equity (Deficit)

The Company has two classes of common stock authorized, Class A and Class B.

Voting

Except as otherwise expressly provided in the Company's Amended and Restated Certificate of Incorporation, or the Restated Certificate, each holder of Class A Common Stock is entitled to one vote per share. Except as provided by law and in the event of any increase or decrease in the number of authorized shares of Class B Common Stock, the holders of Class B Common Stock have no voting rights.

Conversion

Each share of Class B Common Stock will automatically convert into one share of Class A Common Stock immediately prior to the closing of a firmly underwritten public offering, or a Public Offering, of the Company's

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

common stock. Class B Common Stock will continue to be subject to vesting conditions as discussed below. Upon such automatic conversion, any declared and unpaid dividends shall be paid in accordance with the Restated Certificate.

Dividends

The holders of the Class A Common Stock are entitled to receive dividends in preference to the holders of the Class B Common Stock until the holders of the Class A Common Stock have received at least \$1.00 per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares), or the Original Issue Price. After the payment of the Class A preferential dividends, the holders of the Class A Common Stock and Class B Common Stock are entitled to share equally, on a per share basis, in all dividends declared by the Board of Directors.

On October 17, 2016, the Board of Directors declared a dividend payable to Class A Common stockholders in the cumulative amount of approximately \$89,862,000. The dividend was paid in conjunction with the amendment to the first and second lien credit agreements and thus, permitted by the lenders. The dividends paid exceeded the Company's retained earnings at the time of declaration by \$80,925,000 and, as a result, the excess was recorded as a reduction to paid-in-capital. As a result of such dividend, the holders of the Class A Common Stock are no longer entitled to receive any preferential dividends or preferential amounts in the event of any liquidation, dissolution, winding up or change of control transaction.

Restricted Class B Common Stock

In June 2014, we issued 11,674,430 shares of Class B Common Stock to employees and members of the Board of Directors in connection with the acquisition of Holdings. These shares are subject to vesting and the shares are subject to a repurchase right held by us, as further described below. These shares of Class B Common Stock were issued to each holder as 50% Tranche 1 shares, 25% Tranche 2 shares and 25% Tranche 3 shares.

The shares of Class B Common Stock were valued at the estimated fair value at the time of issuance and are being amortized as compensation expense on a straight-line basis over the period in which they are earned by the individuals. The grant-date fair value of our awards was calculated using the Black-Scholes option-pricing model with the weighted-average assumptions listed in Note 8—Stock-based Compensation.

The fair value of the common stock has historically been determined by management, in part, based upon periodic valuation studies obtained from a third party valuation firm. In performing our valuation, the valuation firm engaged in discussions with management, analyzed historical and forecasted financial statements, and reviewed corporate documents. In addition, these valuation studies were based on a number of assumptions, including industry, general economic and market conditions that could reasonably be evaluated at the time of the valuation.

Tranche 1 shares vest over a five-year period; 40% vest on the two-year anniversary of issuance, and the balance vest ratably over the remaining three-year period, subject to the holder's continuous service to the Company as of such vesting date. In the event of a change in control and if the holder's employment with the Company is terminated without cause or the holder resigns for good reason within 24 months following the change in control, the vesting of 100% of the Tranche 1 shares will accelerate.

Tranche 2 shares vest on the day prior to the ten-year anniversary of issuance, subject to the holder's continuous service to the Company as of such vesting date. Subject to the holder's continuous service to the Company as of the date immediately prior to such event, the vesting of 100% of the Tranche 2 shares will accelerate in the event of any change in control or Public Offering Sale in which Clearlake receives gross proceeds in such transaction in consideration for the shares of Class A Common Stock held by Clearlake that

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

exceeds two times the amount of paid-in capital received by the Company from Clearlake, plus any accrued and unpaid dividends, less any declared and paid cash dividends with respect to the Class A Common Stock issued to Clearlake. Public Offering Sale shall mean the consummated sale of shares of the Company by Clearlake for its own account pursuant to the Public Offering, together with all consummated secondary sales and/or public offerings of the Company's shares by Clearlake.

Tranche 3 shares vest on the day prior to the ten-year anniversary of issuance, subject to the holder's continuous service to the Company as of such vesting date. Subject to the holder's continuous service to the Company as of the date immediately prior to such event, the vesting of 100% of the Tranche 3 shares will accelerate in the event of any change in control or Public Offering Sale in which Clearlake receives gross proceeds in such transaction in consideration for the shares of Class A Common Stock held by Clearlake that exceeds 2.5 times the amount of paid-in capital received by the Company from Clearlake, plus any accrued and unpaid dividends, less any declared and paid cash dividends with respect to the Class A Common Stock issued to Clearlake.

Upon the termination of continuous service of a holder, other than termination by the Company without cause, the holder's death or permanent disability, or resignation by holder following certain reductions in salary, the Company may repurchase the Class B shares held by such holder at a price of \$0.01 per share.

Upon the termination of continuous service of a holder by the Company with cause, the Company may repurchase the Class B shares held by such holder at a price of \$0.01 per share.

Upon the termination of continuous service of a holder by the Company without cause, following the holder's death or permanent disability, or resignation by holder following certain reductions in salary, the Company may repurchase the unvested Class B shares at a price of \$0.01 per share and the Company may repurchase the vested Class B shares at a price equal to the fair market value of such shares.

Upon closing of the Merger on February 22, 2018, all of the Company's shares of Class B Common Stock became fully vested and exercisable.

Restricted Class A Common Stock

In June 2014, the Company issued 4,208,258 shares of Class A Common Stock to employees and members of the Board of Directors in connection with the acquisition of Holdings. These shares are subject to a repurchase right held by us.

Upon the termination of continuous service of a holder, other than termination by the Company without cause, the holder's death or permanent disability, or resignation by holder following certain reductions in salary, the Company may repurchase the Class A shares held by such holder at a price of \$1.00 per share.

Upon the termination of continuous service of a holder by the Company with cause, the Company may repurchase the Class A shares held by such holder at a price of \$1.00 per share.

Upon the termination of continuous service of a holder by the Company without cause, following the holder's death or permanent disability, or resignation by holder following certain reductions in salary, the Company may repurchase the Class A shares at a price equal to \$1.00 per share, plus 5% of \$1.00 per share measured per annum (on a non-compounding basis) measured from the issuance date through such termination date.

The repurchase right with respect to the Class A shares shall lapse and terminate immediately following a public offering or change in control.

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

See Note 8—Stock-based Compensation regarding a summary of shares vested during the periods presented in the financial statements.

Stock-based Compensation

The Company's 2014 Equity Incentive Plan, or the Plan, provides for the issuance of incentive stock options, nonqualified stock options, stock appreciation rights, restricted shares, and other awards.

Pursuant to the Plan, the Company issued options to purchase Class B Common Stock in 2014 to management employees in connection with the acquisition of Holdings. Additional options were issued to employees, consultants and non-employee members of the Board of Directors in 2017, 2016 and 2015. All options are subject to vesting and subject to future services to be rendered to the Company.

Certain of the options allow for early exercise, and the shares acquired via early exercise of the options are subject to continued vesting and a repurchase right held by us.

As of December 31, 2017 and 2016, there were 5,517,524 shares and 4,952,155 shares of Class B Common Stock reserved for issuance under the Plan, respectively. As of December 31, 2017 and 2016, 5,517,524 shares and 4,902,155 shares, net of forfeitures were granted, respectively. As of December 31, 2017, there are no shares remaining for future grants.

Options

The Company's option awards are typically issued with one of three vesting schedules: Tranche 1, Tranche 2 and Tranche 3.

Tranche 1 options vest and become exercisable over a five-year period; 40% vest on the two-year anniversary of issuance, and the balance vest ratably over the remaining three-year period, subject to the holder's continuous service to the Company as of such vesting date.

Tranche 2 options vest and become exercisable on the day prior to the ten-year anniversary of issuance, subject to the holder's continuous service to the Company as of such vesting date. Subject to the holder's continuous service to the Company as of the date immediately prior to such event, the vesting of 100% of the Tranche 2 shares will accelerate in the event of any change in control or Public Offering Sale in which Clearlake receives gross proceeds in such transaction in consideration for the shares of Class A Common Stock held by Clearlake that exceeds two times the amount of paid-in capital received by the Company from Clearlake, plus any accrued and unpaid dividends, less any declared and paid cash dividends with respect to the Class A Common Stock issued to Clearlake.

Tranche 3 options vest and become exercisable on the day prior to the ten-year anniversary of issuance, subject to the holder's continuous service to the Company as of such vesting date. Subject to the holder's continuous service to the Company as of the date immediately prior to such event, the vesting of 100% of

Tranche 3 shares will accelerate in the event of any change in control or Public Offering Sale in which Clearlake receives gross proceeds in such transaction in consideration for the shares of Class A Common Stock held by Clearlake that exceeds 2.5 times the amount of paid-in capital received by the Company from Clearlake, plus any accrued and unpaid dividends, less any declared and paid cash dividends with respect to the Class A Common Stock issued to Clearlake.

Upon closing of the Merger on February 22, 2018, all of the Company's options to purchase shares of Class B Common Stock became fully vested and exercisable.

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

Equity awards were valued at their estimated fair value at the time of issuance and are being amortized as compensation expense on a straight-line basis over period in which they are earned by the individuals. The grant-date fair value of our option grants was calculated using the Black-Scholes option-pricing model at the following weighted-average assumptions:

	Year Ended December 31,	
	2017	2016
Expected life (in years)	8.8	8.6
Expected volatility	42.8%	43.1%
Dividend yield	0.0%	0.0%
Risk-free interest rate	2.1%	2.1%

As of December 31, 2017 and 2016, outstanding Tranche 1 options to purchase Class B common stock issued to certain employees and directors were 261,000 and 219,000, respectively, of which 95,000 were vested as of December 31, 2017.

As of December 31, 2017 and 2016, options to purchase Class B Common Stock that only vest upon the Company experiencing a change of control or Public Offering Sale and provide a return of value when Clearlake achieves an exit return target, or otherwise cliff vest after 10 years from issuance, as described above, were 1,266,000 and 1,254,000, respectively.

A summary of the stock option activity is presented below (in thousands, except per share amounts):

	Shares Underlying Options	Weighted- Average Exercise Price	Weighted- Average Grant- Date Fair Value	Aggregate Intrinsic Value (1)	Weighted- Average Remaining Contract Term (Years)
Balance at January 1, 2015	1,864	\$ 0.01	\$ 0.15	\$ —	9.9
Granted	1,057	0.01	0.15		
Forfeited	(210)	0.01	0.15		
Exercised	(1,961)	0.01	0.15		
Balance at December 31, 2015	750	0.01	0.15	\$ 1,208	8.8
Granted	773	1.62	0.82		
Forfeited	(50)	1.62	0.87		
Balance at December 31, 2016	1,473	0.80	0.48	\$ 3,829	8.5
Granted	616	3.40	1.63		
Forfeited	(30)	0.01	0.15		
Exercised	(531)	3.40	1.66		
Balance at December 31, 2017	1,528	\$ 0.96	\$ 0.54	\$ 7,319	7.6
Fully vested and expected to vest at December 31, 2017	1,479	\$ 0.93	\$ 0.52	\$ 7,124	7.6
Exercisable at December 31, 2017	95	\$ 1.62	\$ 0.66	\$ 169	8.1

(1) Aggregate intrinsic value represents the difference between the estimated fair value of the underlying common stock and the exercise price of outstanding, in-the-money options at the date of measurement.

The table above includes approximately 529,000 options granted to a non-employee in January 2015 for services rendered, all of which were early exercised during the year ended December 31, 2015.

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

The activity of the unvested options is presented below (in thousands, except per share amounts):

	Shares Underlying Options	Weighted- Average Grant- Date Fair Value Per Option
Balance at January 1, 2015	1,864	\$ 0.15
Granted	1,057	0.15
Vested	—	
Forfeited	(210)	0.15
Exercised	(1,961)	0.15
Balance at December 31, 2015	750	0.15
Granted	773	0.82
Vested	(15)	0.65
Forfeited	(50)	0.87
Balance at December 31, 2016	1,458	0.47
Granted	616	1.63
Vested	(80)	0.66
Exercised	(531)	1.66
Balance at December 31, 2017	<u>1,463</u>	\$ 0.52

Class B Common Stock

As of December 31, 2017 and 2016, 7,415,336 shares of Class B Common Stock vest upon the Company experiencing a change of control or Public Offering and provide a return of value when Clearlake achieves an exit return target, or otherwise cliff vest after 10 years from issuance, as described above.

The activity for Class B common stock is presented below (in thousands, except per share amounts):

	Shares	Weighted- Average Grant- Date Fair Value Per Share
Unvested and outstanding at January 1, 2015	13,142	\$ 0.15
Granted or issued	1,961	0.15
Vested	—	
Repurchased	(401)	0.15
Unvested and outstanding at December 31, 2015	14,702	
Vested	(2,835)	0.15
Unvested and outstanding at December 31, 2016	11,867	0.15
Granted	531	1.66
Vested	(1,402)	0.15
Repurchased	(402)	0.15
Unvested and outstanding at December 31, 2017	<u>10,594</u>	\$ 0.23

The table above includes approximately 529,000 shares issued to a non-employee upon early exercise of his stock options during the year ended December 31, 2015. Of these shares, 158,618 and 105,745 were vested as of December 31, 2017 and 2016, respectively.

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

Expense

During the years ended December 31, 2017, 2016 and 2015, total estimated fair value of share awards and options granted to purchase Class B Common stock was \$1,000,000, \$636,000, and \$88,000, respectively. Compensation expense recognized for equity awards for the years ended December 31, 2017, 2016 and 2015, was \$1,289,000, \$1,057,000 and \$233,000, respectively. At December 31, 2017, there was \$4,048,000, of unrecognized expense related to nonvested equity awards. Upon closing of the Merger on February 22, 2018, the full amount of unrecognized stock-compensation expense was recognized.

Included within compensation expense are amounts related to a 2015 non-employee stock option grant, which is re-measured at the end of each reporting period until all options are vested, which accounted for \$835,000, \$538,000, and \$8,000, during the years ended December 31, 2017, 2016 and 2015, respectively. The increase in 2017 and 2016 is due to an increase in the underlying fair value of the Company's common stock, one of the specific assumptions used as an input to the Black-Scholes pricing model, which is updated quarterly for the re-measurement of the non-employee stock options. The fair value of the Company's common stock increased during 2017 and 2016 as a result of the integration of several acquisitions made in 2017 and 2015 and growth in gross profit and revenues. At December 31, 2017, there was \$1,655,000 of unrecognized expense related to non-employee nonvested equity awards which was recognized upon closing of the Merger on February 22, 2018.

9. Net Income (Loss) per Share

The Company applies the two-class method of computing net income (loss) per share in which net income (loss) is allocated to the two classes of common stock in the same fashion as dividends are distributed. The holders of the Class A Common Stock are entitled to receive dividends in preference to the holders of the Class B Common Stock as discussed above. After the payment of the Class A preferential dividends, the holders of the Class A and Class B Common Stock are entitled to share equally, on a per share basis, in all dividends declared by the Board of Directors. As a result of the cash dividend paid in October 2016, the holders of the Class A Common Stock are no longer entitled to receive any preferential dividends or preferential amounts in the event of any liquidation, dissolution, winding up or change of control transaction. Shares of Class B Common Stock are considered participating securities subsequent to the dividend payment in October 2016 for computation of net income (loss) per share.

Prior to October 2016, holders of Class B Common Stock did not participate as they were not entitled to receive dividends since holders of Class A Common Stock had not received the full preferential dividends. Class A common stockholders received their preferential dividend of \$89,862,000 in October 2016 resulting in an excess dividend above earnings and a theoretical net loss attributable solely to Class A common stockholders of \$81,513,000 for the year ended December 31, 2016. Class B common stockholders do not participate in a loss.

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

The following is a reconciliation of the weighted-average number of shares used to compute basic and diluted net income (loss) per share (in thousands, except per share amounts):

	Year Ended December 31,		
	2017	2016	2015
Numerator :			
Net income (loss) attributable to Class A common stockholders	\$ (8,021)	\$ 8,349	\$ 4,023
Denominator:			
Weighted-average Class A common shares—basic	89,778	89,862	89,866
Effect of dilutive securities:			
Stock options and non-vested shares	—	—	—
Weighted-average Class A common shares—diluted	<u>89,778</u>	<u>89,862</u>	<u>89,866</u>
Net income (loss) per share attributable to Class A common stockholders, basic and diluted	<u>\$ (0.09)</u>	<u>\$ 0.09</u>	<u>\$ 0.04</u>

Had the distributions been made in prior years, the net income per share for the year ended December 31, 2016, considering both A and B common stock, would have been \$0.09. There were no Class A dilutive securities for the years ended December 31, 2017 and 2016.

10. Fair Value Measurements

For certain of the Company's financial instruments, including cash, accounts receivables, accounts payable, and accrued expenses, the carrying value approximates fair value due to the short-term maturities of these instruments.

Contingent consideration resulting from the acquisition of Annese on July 14, 2017, is recorded at fair value of approximately \$956,000 as of December 31, 2017. The fair value of the contingent consideration liability was estimated using significant other unobservable inputs (Level 3 of the fair value hierarchy) based upon a risk-adjusted present value of the expected payments by us.

The fair value of the Company's long-term debt as of December 31, 2017 and 2016 approximates the carrying value of \$582,325,000 and, \$404,138,000 respectively. The Company uses significant other unobservable inputs to estimate fair value (Level 3 of the fair value hierarchy) of long-term debt based on the present value of future cash flows, interest rates, maturities and collateral requirements available for companies with similar credit ratings.

For certain of the Company's nonfinancial assets, including goodwill, intangible assets and property and equipment, the Company may be required to assess fair values of these assets, on a recurring or nonrecurring basis, and record an impairment if the carrying value exceeds the fair value. In determining the fair value of these assets, the Company may use a combination of valuation methods, which include Level 3 inputs. For the periods

presented, there were no impairment charges. See Notes 1—Nature of Business and Summary of Significant Accounting Policies and 5—Goodwill and Finite-Life Intangible Assets for additional information regarding the Company's determination of fair value regarding goodwill and indefinite-lived intangible assets.

In conjunction with the acquisitions discussed in Note 2—Acquisitions, the Company used a combination of valuation methods which include Level 3 inputs in determining the fair values of the assets and liabilities acquired as well as the fair value of the consideration transferred.

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

11. Major Vendors and Economic Dependence

The Company has numerous technology partners whose communication products are purchased and resold. Although the Company purchases from a diverse vendor base, products manufactured by two of our vendors, Avaya Inc. (“Avaya”) and Cisco Systems, Inc., represented 21% and 39%, respectively, of the Company’s technology offerings revenue for the year ended December 31, 2017, 30% and 29%, respectively, for the year ended December 31, 2016, and 41% and 25%, respectively, for the year ended December 31, 2015. Avaya related revenue represented 23%, 27% and 33% of the Company’s total consolidated revenue for the years ended December 31, 2017, 2016 and 2015, respectively.

Avaya filed for reorganization under Chapter 11 in January, 2017. Avaya successfully completed a balance sheet restructuring and emerged from bankruptcy proceedings in the fourth quarter of 2017. In January, 2018, Avaya successfully completed an initial public offering and their stock began trading publicly. Management continues to evaluate the impact that Avaya’s reorganization has had on the Company’s results of operations and financial condition.

The Company has one distributor that supplies a significant portion of its Avaya communication products. At December 31, 2017 and 2016, the Company owed \$28,000,000 and \$27,000,000, respectively, to this distributor.

12. Operating Leases

The Company leases office and warehouse space and vehicles under operating lease agreements that expire on various dates through 2026.

Approximate future minimum annual rental commitments under these operating leases as of December 31, 2017 are as follows (in thousands):

<u>Years Ending December 31,</u>	<u>Amount</u>
2018	\$ 8,176
2019	5,978
2020	4,661
2021	3,830
2022	3,175
2023 and thereafter	3,964
Total	<u>\$ 29,784</u>

Rent expense was \$5,402,000, \$4,648,000 and \$3,360,000 for the years ended December 31, 2017, 2016 and 2015, respectively.

Employee Benefit Plans

The Company sponsors defined contribution plans for substantially all employees. Annual Company contributions under the plans are discretionary. Company contribution expense during the years ended December 31, 2017, 2016 and 2015 was \$4,009,000, \$2,965,000 and \$2,400,000, respectively.

14. Employment Contracts and Bonus Plans

The Company has entered into employment contracts with certain officers that require an annual salary plus a bonus amount based on meeting certain business plan and financial objectives. In addition, the agreements contain provisions for severance payments under certain termination conditions.

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

15. Income Taxes

On December 22, 2017, H.R. 1, originally known as the Tax Cuts and Jobs Act (“Tax Legislation”) was signed into law making significant changes to the internal Revenue Code. Changes include, but are not limited to, a permanent reduction of the U.S. corporate income tax rate from 35% to 21% effective January 1, 2018. For the year ended December 31, 2017, the enactment of the Tax Legislation resulted in a one-time non-cash tax benefit of \$9,812,000 related to the re-measurement of net U.S. deferred tax liabilities at the lower enacted corporate tax rate. The Company is not materially impacted by any other Tax Legislation changes for the year ended December 31, 2017.

The provision for income taxes charged to operations consists of the following (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Current			
Federal	\$(10,689)	\$ 9,535	\$ 5,170
State	(611)	1,246	1,321
	(11,300)	10,781	6,491
Deferred			
Federal	(7,374)	(2,445)	(2,595)
State	(674)	(1,620)	(322)
	(8,048)	(4,065)	(2,917)
	<u>\$(19,348)</u>	<u>\$ 6,716</u>	<u>\$ 3,574</u>

The following schedule reconciles the differences between the U.S. federal income taxes at the U.S. statutory rate and our income tax expense (in thousands):

	Year Ended December 31,					
	2017		2016		2015	
Statutory federal income tax rate	\$ (9,579)	35.0%	\$5,273	35.0%	\$2,659	35.0%
Increase (decrease) in income taxes resulting from:						
State income taxes, net of federal income tax effect	(896)	3.3	857	5.7	567	7.4
Nondeductible expenses	786	(2.9)	858	5.7	280	3.7
Deferred rate change	(31)	0.1	370	2.4	—	—
Acquisition accounting adjustment	—	—	(351)	(2.3)	—	—
Federal tax reform deferred tax impact	(9,812)	35.9	—	—	—	—
Other	184	(0.7)	(291)	(1.9)	68	0.9
Effective tax rate	<u>\$(19,348)</u>	<u>70.7%</u>	<u>\$6,716</u>	<u>44.6%</u>	<u>\$3,574</u>	<u>47.0%</u>

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

Deferred income tax assets and liabilities consist of the following components (in thousands):

	December 31,	
	2017	2016
Deferred Tax Assets:		
Trade accounts receivable	\$ 658	\$ 619
Inventories	184	262
Other deferred tax assets	584	494
Accrued compensation	2,590	2,960
Deferred revenue	4,449	1,786
Debt financing costs	—	382
Net operating loss carryforwards	2,014	1,885
Total deferred tax assets	<u>10,479</u>	<u>8,388</u>
Deferred Tax Liabilities:		
Prepaid expenses and deferred customer support contract costs	3,438	4,009
Other	68	132
Property and equipment	3,459	2,872
Goodwill and finite-life intangibles	21,570	39,216
Total deferred tax liabilities	<u>28,535</u>	<u>46,229</u>
Total net deferred tax liabilities	<u><u>\$(18,056)</u></u>	<u><u>\$(37,841)</u></u>

Certain of the Company's historical net operating losses are subject to Internal Revenue Code Section 382 limitations which have been considered in determining the amount of available net operating loss carryforwards. At December 31, 2017, the Company has federal net operating loss carryforwards of \$4.3 million that begin to expire in 2031 if not utilized. The Company also has \$19.3 million of various state operating loss carryforwards at December 31, 2017, that begin to expire in 2020 if not utilized.

Uncertain Tax Positions

The Company recognizes the tax effects of an uncertain tax position only if it is more likely than not to be sustained based solely upon its technical merits at the reporting date. The unrecognized tax benefit is the difference between the tax benefit recognized and the tax benefit claimed on the Company's income tax return. The Company has reviewed its prior year returns and believes that all material tax positions in the current and prior years have been analyzed and properly accounted for and that the risk that additional material uncertain tax positions have not been identified is remote.

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

A reconciliation of the beginning and ending amounts of the gross unrecognized income tax benefit is as follows (in thousands):

	December 31,		
	2017	2016	2015
Balance at beginning of period	\$1,456	\$1,331	\$1,331
Additions for tax position of current year	353	364	333
Additions for tax position of prior years	—	125	—
Reductions due to statute of limitations lapse	(364)	(364)	(333)
Settlements	—	—	—
Balance at end of period	<u>\$1,445</u>	<u>\$1,456</u>	<u>\$1,331</u>

The Company's federal income tax returns for the periods ended December 31, 2014 and 2015 are currently under examination by the IRS and it is reasonably possible that the amount of unrecognized tax benefits will change in the next 12 months as a result. If we were to prevail on all unrecognized tax benefits recorded, \$1,392,000 of the \$1,445,000 reserve would benefit the effective tax rate. In addition, the reversal of accrued penalties and interest would also benefit the effective tax rate. Interest and penalties associated with unrecognized tax benefits are recorded within income tax expense. During the years ended December 31, 2017, 2016 and 2015, we recorded a net expense from accrued penalties and interest of \$6,000, \$111,000 and \$0, respectively. As of December 31, 2017 and 2016, total accrued interest and penalties were \$117,000 and \$111,000, respectively.

The Company's federal income tax returns remain open to examination for 2014 through 2016 and certain of the Company's state income tax returns remain open to examination for 2013 through 2016.

16. Segment Reporting

Management has concluded that our chief operating decision maker (CODM) consists of both its chief executive officer and chief financial officer. The Company's CODMs collectively review the entire organization's consolidated results as a whole on a monthly basis to evaluate performance and make resource allocation decisions. Management views the Company's operations and manages its business as one operating segment.

Geographic Areas

Sales to customers outside of the United States are not material for any of the periods presented. Additionally, the Company does not have long-lived assets outside of the United States.

C1 INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

Revenue by Technology Market

The following table presents total technology offerings revenue and services revenue by technology market, based on the Company's internal classification of revenue (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Technology Offerings			
Collaboration	\$ 227,981	\$ 232,357	\$ 207,202
Enterprise Networking, Data Center, Cloud and Security	225,125	207,447	90,279
	<u>\$ 453,106</u>	<u>\$ 439,804</u>	<u>\$ 297,481</u>
Services			
Collaboration	\$ 381,715	\$ 319,208	\$ 288,167
Enterprise Networking, Data Center, Cloud and Security	84,105	56,597	15,816
	<u>\$ 465,820</u>	<u>\$ 375,805</u>	<u>\$ 303,983</u>
Total			
Collaboration	\$ 609,696	\$ 551,565	\$ 495,369
Enterprise Networking, Data Center, Cloud and Security	309,230	264,044	106,095
Total	<u>\$ 918,926</u>	<u>\$ 815,609</u>	<u>\$ 601,464</u>

17. Related-Party Transactions

The Company has a management agreement with Clearlake, a stockholder of the Company. Under the terms of the agreement, the Company is required to pay Clearlake a quarterly management fee not to exceed \$375,000. For years ended December 31, 2017, 2016 and 2015, the expense under the agreement was \$1,500,000, of which \$375,000 was included in accrued expenses at December 31, 2017 and 2016, respectively. The Company paid consulting fees of \$140,000 and \$100,000 to Clearlake in the year ended December 31, 2017 and 2016, respectively, related to debt refinancing.

On August 17, 2017, the Company granted 530,772 options to purchase the Company's Class B Common Stock to a newly appointed board member. On September 25, 2017, the board member early exercised the options for a total exercise price of \$1,805,000 with payment in the form of a Recourse Promissory Note. The note bears interest at 2.6% and is due and payable in full upon the earliest of (i) September 25, 2027, (ii) the date on which the first registration statement is filed with the United States Securities and Exchange Commission under the Securities Act of 1933, as amended, offering securities of the Company to the public, (iii) the dissolution or liquidation of the Company, and (iv) within 10 days after the date on which the individual is no longer a director of the Company.

CI INVESTMENT CORP.
Notes to the Consolidated Financial Statements—(Continued)

18. Quarterly Financial Data (Unaudited)

(In thousands, except per share amounts)	Quarters Ended			
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	Mar. 31, 2017
Total revenue	\$ 299,226	\$ 245,412	\$ 191,322	\$ 182,966
Gross profit	92,482	70,923	57,787	53,293
Operating income	2,627	6,834	12,132	3,077
Net income (loss)	5,164	1,303	(11,367)	(3,121)
Net income (loss) per share attributable to Class A common stockholders, basic and diluted	\$ 0.06	\$ 0.01	\$ (0.13)	\$ (0.03)
Cash dividends per share of Class A common stock	\$ —	\$ —	\$ —	\$ —

(In thousands, except per share amounts)	Quarters Ended			
	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016	Mar. 31, 2016
Total revenue	\$ 210,528	\$ 213,381	\$ 209,875	\$ 181,825
Gross profit	68,969	64,277	61,171	54,827
Operating income	16,140	14,986	10,835	4,541
Net income (loss)	2,163	4,698	2,501	(1,013)
Net income (loss) per share attributable to Class A common stockholders, basic and diluted	\$ 0.03	\$ 0.05	\$ 0.03	\$ (0.01)
Cash dividends per share of Class A common stock	\$ 1.00	\$ —	\$ —	\$ —

19. Subsequent Events

In preparing the consolidated financial statements as of and for the year ended December 31, 2017, the Company evaluated subsequent events for recognition and measurement purposes through March 19, 2018, the date the independent auditors' report was originally issued and the audited consolidated financial statements were available for issuance.

Senior Secured Revolving Loan Facility

On February 13, 2018, the Company amended the Revolver Agreement to increase the aggregate revolving commitments from \$150,000,000 to \$200,000,000 and incurred financing transaction costs of \$287,000. Concurrent with the amendment to the Revolver Agreement, the aggregate principal amount of the revolving credit limit increased from \$150,000,000 to \$200,000,000.

Arrow Systems Integration, Inc.

On March 1, 2018, the Company, through its subsidiary ConvergeOne, acquired Arrow Systems Integration, Inc. ("ASI") for cash consideration of \$30,655,000. The acquisition will be accounted for as a business combination with the purchase price allocated to the assets acquired and liabilities assumed based on the estimated fair values at the acquisition date as determined by the Company's management, using information currently available and current assumptions as to projections of future events and operating performance, and consideration of market conditions. Any premium paid over the fair value of the net tangible and identified intangible assets acquired will result in goodwill. Due to the timing of the acquisition, the fair value of asset acquired and liabilities assumed has not yet been determined and therefore the acquisition accounting is not complete. The Company will include the preliminary purchase price allocation in the first quarter of 2018 and finalize the purchase price allocation as soon as practicable within the measurement period, but not later than one year following the acquisition date. The results of the acquisition will be included in the consolidated statements of income from the closing date forward.

CONVERGEONE HOLDINGS, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

INTRODUCTION AND BASIS OF PRO FORMA PRESENTATION

On February 22, 2018, C1 Investment Corp. (“C1”) and Forum Merger Corporation (“Forum”) consummated the transactions contemplated by the Agreement and Plan of Merger (as described below) (the “Business Combination”). In connection with the closing of the Business Combination, the registrant changed its name from Forum Merger Corporation to ConvergeOne Holdings, Inc. (“ConvergeOne”).

On December 15, 2017, C1 acquired all of the outstanding stock of AOS, Inc. (“AOS”) and on August 16, 2017, C1 acquired all of the outstanding stock of SPS Holdco, LLC (“SPS”) (the “Acquisitions”) for a combined purchase price of \$116,984 funded by borrowings under C1 Investment Corp.’s financing facilities (the “Borrowings”).

References to “Pro Forma Transactions” include the Business Combination, Acquisitions and Borrowings. Refer to Forum Merger Corporation Form S-4 filed with the Securities and Exchange Commission on February 1, 2018.

Agreement and Plan of Merger

On November 30, 2017, Forum entered into an Agreement and Plan of Merger (“Merger Agreement”), by and among Forum, FMC Merger Subsidiary Corp., a newly-formed Delaware corporation and wholly-owned subsidiary of Forum (the “Merger Sub I”), FMC Merger Subsidiary LLC, a newly formed Delaware limited liability company and wholly-owned subsidiary of Forum (the “Merger Sub II”), C1, and Clearlake Capital Management III, L.P., in the capacity as the Seller Representative.

The Agreement provides for a two-step merger: (1) the merger of Merger Sub I with and into C1, with C1 continuing as the surviving corporation (the “Surviving Subsidiary”) and as a wholly-owned subsidiary of Forum (the “First Merger”) and (2) the merger of the Surviving Subsidiary of the First Merger with and into Merger Sub II, ceasing the separate existence of the Surviving Subsidiary (the “Second Merger” and together with the First Merger, the “Business Combination”). Merger Sub II will continue as the surviving entity in the Second Merger, and Merger Sub II, continuing as the surviving entity, shall then be referred to as the Surviving Entity (the “Surviving Entity” and, together with Forum, the “Combined Entity”).

Description of the Merger

Pursuant to the Merger Agreement, the aggregate consideration paid in the Business Combination is equal to an amount equal to (i) the Enterprise Value, as defined in the Merger Agreement, minus (ii) the Closing Net Indebtedness, as defined in the Merger Agreement, (the “**Merger Consideration**”) plus the contingent right to receive additional consideration based on the performance of the combined company, during the calendar years 2018, 2019 and 2020 (the “**Exit Consideration**,” which together with the Merger Consideration, the “**Total Consideration**”). The Merger Consideration was paid in the form of: cash from Forum and/or the Target Companies in an amount equal to (A) the total cash and cash equivalents of Forum, including funds from the PIPE Investment and Backstop Investment and the remaining funds in the Trust Account, after giving effect to the completion of the Redemption (the “**Forum Cash**”), plus (B) the Closing Cash, as defined in the Merger Agreement, minus (C) \$25,000; and (ii) a number of Forum Common Stock, valued at the Redemption Price, as defined in the Merger Agreement, per share, equal to the Merger Consideration less \$25,000.

In connection with the Business Combination, Forum entered into Subscription Agreements with investors to purchase 17,959,375 shares of Class A Common Stock for an amount of \$143,675.

CONVERGEONE HOLDINGS, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION—(Continued)

The PIPE Investment was predicated on (i) the Sponsor's agreement to cancel 1,078,125 Founders Shares immediately upon the Closing of the Business Combination; (ii) the Sponsor's agreement to subject 2,156,250 Founders Shares to forfeiture in the event the earnout provisions of the Merger Agreement are not met by the Combined Entity; and (iii) C1's agreement to reduce the Merger Consideration by 499,752 shares of Common Stock. In the aggregate, the expected beneficial ownership of the Sponsor and the C1 Securityholders at the Closing was reduced by 3,734,127 shares of Common Stock at an assumed value of \$10.10 per share to incentivize the prospective investors to commit to the PIPE Investment. The result was the issuance of 14,225,248 incremental shares to the investors in the PIPE Investment for an aggregate purchase price of \$143,675 (and an aggregate issuance of 17,959,375 shares to the investors in the PIPE Investment).

Accounting for the Merger

The Business Combination will be accounted for as a reverse merger in accordance with U.S. GAAP. Under this method of accounting, Forum will be treated as the "acquired" company for financial reporting purposes. This determination was primarily based on C1 Securityholders expecting to have a majority of the voting power of the combined company, C1 comprising the ongoing operations of the combined entity, C1 comprising a majority of the governing body of the combined company, and C1's senior management comprising the senior management of the combined company. Accordingly, for accounting purposes, the Business Combination will be treated as the equivalent of C1 issuing stock for the net assets of Forum, accompanied by a recapitalization. The net assets of Forum will be stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination will be those of C1.

Basis of Pro Forma Presentation

The historical financial information has been adjusted to give pro forma effect to events that are related and/or directly attributable to the Pro Forma Transactions, are factually supportable and are expected to have a continuing impact on the results of the combined company. The adjustments presented on the unaudited pro forma condensed combined financial statements have been identified and presented to provide relevant information necessary for an accurate understanding of the combined company upon consummation of the Pro Forma Transactions.

The following unaudited pro forma condensed combined balance sheet as of December 31, 2017 combines the audited historical consolidated balance sheet of C1 as of December 31, 2017 with the audited historical consolidated balance sheet of Forum as of December 31, 2017, giving effect to the Business Combination as if it had been consummated as of that date.

The following unaudited pro forma condensed combined income statement for the year ended December 31, 2017 combines the audited historical consolidated statement of income of C1 for the year ended December 31, 2017 with the audited historical consolidated statement of operations of Forum for the year ended December 31, 2017, giving effect to the Business Combination as if it had occurred as of the beginning of the earliest period presented. In addition, the unaudited pro forma combined statements of income for the year ended December 31, 2017 are presented as if the acquisitions of AOS and SPS, and the Borrowings had taken place as of the beginning of the earliest period presented.

The following unaudited pro forma condensed combined income statement for the year ended December 31, 2016 combines the audited historical consolidated statement of income of C1 for the year ended December 31, 2016 with the audited historical consolidated statement of operations of Forum for the period from November 17, 2016 (inception) through December 31, 2016, giving effect to the Business Combination as if it had occurred as of the beginning of the earliest period presented. In addition, the unaudited pro forma combined statements of income for the year ended December 31, 2016 are presented as if the acquisitions of AOS and SPS, and the Borrowings had taken place as of the beginning of the earliest period presented.

CONVERGEONE HOLDINGS, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION—(Continued)

The Acquisitions have been accounted for under the acquisition method of accounting. Under the acquisition method of accounting, the total purchase price presented in the accompanying unaudited pro forma combined financial statements was allocated to the assets acquired and liabilities assumed based on their preliminary estimated fair values. The excess of the purchase price over the total of estimated fair values assigned to tangible and identifiable intangible assets acquired and liabilities assumed is recognized as goodwill. For the purposes of these illustrative pro forma combined financial statements, the entire Borrowings and the related interest expense, using current interest rates, were included in the pro forma adjustments.

The unaudited pro forma combined financial information is based on estimates and assumptions which have been made solely for purposes of developing such pro forma information.

The unaudited pro forma combined financial statements are presented for illustrative purposes only and, therefore, are not necessarily indicative of the operating results and financial position that might have been achieved had the Pro Forma Transactions occurred as of an earlier date, nor are they necessarily indicative of operating results and financial position that may occur in the future. In conjunction with the acquisitions of AOS and SPS future restructuring expenses and transaction costs may be incurred that are not included in these pro forma combined financial statements. Additionally, debt balances may be paid down faster than the stated terms, which would reduce interest expense from the amounts included in the pro forma adjustments. C1 and Forum have not had any historical relationship prior to the Business Combination. Accordingly, no pro forma adjustments were required to eliminate activities between the companies.

Included in the shares outstanding and weighted average shares outstanding as presented in the pro forma condensed combined financial statements are 47,124,494 shares of Common Stock issued to C1 Securityholders.

As a result of the Business Combination, C1 owns approximately 68.2% of Forum Common Stock to be outstanding immediately after the Business Combination, Forum stockholders own approximately 5.8% of Forum Common Stock and the PIPE investors own approximately 26.0% of Forum Common Stock, based on the number of shares of Forum Common Stock outstanding as of December 31, 2017 (in each case, not giving effect to any shares issuable to them upon exercise of warrants).

The historical financial information of C1 was derived from the audited consolidated financial statements of C1 for the years ended December 31, 2017 and 2016, as included in Exhibit 99.5 to this Form 8-K/A. The historical financial information of Forum was derived from the audited financial statements of Forum for the year ended December 31, 2017 and for the period from November 17, 2016 (inception) through December 31, 2016, included in the Forum Merger Corporation Form 10-K filed with the Securities and Exchange Commission on February 20, 2018. The historical financial information of SPS was derived from the unaudited consolidated financial statements of SPS for the six months ended June 30, 2017 and the audited consolidated financial statements of SPS for the year ended December 31, 2016, included in the ConvergeOne Holdings, Inc. Form 8-K filed with the Securities and Exchange Commission on February 22, 2018, plus activity for the period from July 1, 2017 to August 15, 2017. SPS results from the date of acquisition to December 31, 2017 are included in C1's financial statements for the year ended December 31, 2017. The historical financial information of AOS was derived from the unaudited consolidated financial statements of AOS as of and for nine months ended October 1, 2017 and the audited consolidated financial statements for the year ended December 25, 2016, included in the ConvergeOne Holdings, Inc. Form 8-K filed with the Securities and Exchange Commission on February 22, 2018, plus activity for the period from October 2, 2017 to December 14, 2017. AOS results from the date of acquisition to December 31, 2017 are included in C1's financial statements for the year ended December 31, 2017.

The unaudited pro forma combined financial statements, including the notes thereto, should be read together with Forum's audited financial statements and related notes, the sections titled "*Management's Discussion and*

CONVERGEONE HOLDINGS, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION—(Continued)

Analysis of Financial Condition and Results of Operations,” and other financial information included in the Forum Merger Corporation Form 10-K filed with the Securities and Exchange Commission on February 20, 2018 and with C1’s audited financial statements and related notes as included in Exhibit 99.5 to this Form 8-K/A as well as SPS’s and AOS’s audited and unaudited consolidated financial statements included in the ConvergeOne Holdings, Inc. Form 8-K filed with the Securities and Exchange Commission on February 22, 2018.

CONVERGEONE HOLDINGS, INC.
UNAUDITED PRO FORMA COMBINED BALANCE SHEET
AS OF DECEMBER 31, 2017
(in thousands)

	(A) C1 Investment Corp.	(B) Forum	Pro Forma Merger Adjustments		Pro Forma Combined
Assets					
Current Assets					
Cash	\$ 13,475	\$ 115	\$ 175,421	(1)	
			(30,000)	(2)	
			(33)	(3)	
			(172,024)	(4)	
			131,675	(5)	
			(170,574)	(6)	
			51,000	(9)	
			1,805	(7)	\$ 860
Trade accounts receivable, less allowances	289,236	—	—		289,236
Inventories	14,717	—	—		14,717
Prepaid expenses and other current assets	9,294	50	—		9,344
Deferred customer support contract costs	35,151	—	—		35,151
Income tax receivable	10,576	—	—		10,576
Total current assets	372,449	165	(12,730)		359,884
Other Assets					
Cash and marketable securities held in Trust Account	—	175,421	(175,421)	(1)	—
Goodwill	331,456	—	—		331,456
Finite-life intangibles, net	173,642	—	—		173,642
Property and equipment, net	36,659	—	—		36,659
Deferred customer support contract costs, noncurrent	3,915	—	—		3,915
Non-current income tax receivable	2,620	—	—		2,620
Total other assets	548,292	175,421	(175,421)		548,292
Total assets	\$ 920,741	\$ 175,586	\$ (188,151)		\$ 908,176
Liabilities and Stockholders' Equity (Deficit)					
Current Liabilities					
Current maturities of long-term debt	\$ 5,652	\$ —	\$ —		\$ 5,652
Advances from related parties	—	33	(33)	(3)	—
Accounts payable	157,778	213	—		157,991
Customer deposits	22,498	—	—		22,498
Accrued compensation	34,522	—	—		34,522
Accrued other	27,362	—	—		27,362
Income tax payable	—	222	—		222
Deferred revenue	68,127	—	—		68,127
Total current liabilities	315,939	468	(33)		316,374
Long-Term Liabilities					
Long-term debt, net of debt issuance costs and current maturities	566,424	—	51,000	(9)	617,424
Deferred income taxes	18,056	—	—		18,056
Long-term income tax payable	1,563	—	—		1,563
Deferred revenue and other long-term liabilities	13,118	—	—		13,118
Total long-term liabilities	599,161	—	51,000		650,161
Commitments and Contingencies					
Common stock subject to redemption	—	170,118	(170,118)	(4)	—
Stockholders' Equity (Deficit)					
Common stock	10	1	2	(4)	
			1	(5)	
			(5)	(6)	9
Subscription receivable from related parties	(1,805)	—	1,805	(7)	
			(12,000)	(5)	(12,000)
Additional paid-in capital	13,459	4,704	(4,000)	(2)	
			(1,908)	(4)	
			143,674	(5)	
			(170,274)	(6)	
			4,048	(8)	
			10,297	(10)	
Retained earnings (accumulated deficit)	(6,023)	295	(26,000)	(2)	
			(295)	(6)	
			(4,048)	(8)	
			(10,297)	(10)	(46,368)
Total stockholders' equity (deficit)	5,641	5,000	(69,000)		(58,359)
Total liabilities and stockholders' equity (deficit)	\$ 920,741	\$ 175,586	\$ (188,151)		\$ 908,176

See accompanying notes to unaudited pro forma combined financial statements.

Pro Forma Adjustments to the Unaudited Condensed Combined Balance Sheet
(in thousands, except share data)

- (A) As reported in C1's audited consolidated financial statements for the year ended December 31, 2017, as included in Exhibit 99.5 to this Form 8-K/A. The SPS and AOS purchase price and the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition are included in C1's financial statements for the year ended December 31, 2017.
- (B) Derived from the audited consolidated balance sheet of Forum as of December 31, 2017, as included in the Forum Merger Corporation Form 10-K filed with the Securities and Exchange Commission on February 20, 2018.

Pro Forma Merger Adjustments

- (1) To reflect the release of cash from investments held in the trust account.
- (2) To reflect the payment of estimated legal, financial advisory and other professional fees related to the Business Combination, assumes that \$4,000 of those fees are related to the capital raised and therefore offset equity raised.
- (3) To record repayment of advances from related parties.
- (4) To reflect the redemption of 16,940,909 shares for cash of \$172,024 after giving effects to payments to redeeming stockholders based on the consummation of the Business Combination.
- (5) To reflect the PIPE Investment issuance of 17,959,375 shares of Class A Common Stock for proceeds of \$143,675. Of the total proceeds, \$12,000 was deferred and is expected to be received within 30 days of the closing of the Business Combination.
- (6) To reflect recapitalization of C1 through the contribution of all the share capital in C1 to Forum, the payment of \$170,574 of cash consideration and the issuance of 47,624,246 shares of Common Stock and the elimination of the historical retained earnings of Forum, the accounting acquiree.
- (7) To reflect the payment for C1's subscriptions receivable.
- (8) To record a one-time stock-based compensation expense for options vested upon consummation of the Business Combination. C1 recorded post-combination compensation expense of \$4,048 related to the effects of the immediate vesting of all outstanding stock and stock options which occurred upon the closing of the Merger. This amount is excluded from the unaudited pro forma condensed combined statements of income because it is a charge directly attributable to the Merger that will not have a continuing impact on C1's operations; however, the amount is reflected as a reduction to retained earnings in the unaudited pro forma balance sheet.
- (9) To record additional borrowings to fund the closing of the Business Combination.
- (10) To reclassify negative additional paid-in capital to accumulated deficit.

CONVERGEONE HOLDINGS, INC.
UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2017
(in thousands, except share and per share data)

	(A) C1 Investment Corp.	(B) SPS Holdco, LLC.	(C) AOS, Inc.	Pro Forma Acquisition Adjustments	(D) Forum	Pro Forma Merger Adjustments	Pro Forma Combined
Total revenue	\$ 918,926	\$ 168,460	\$ 165,144	\$ —	\$ —		\$ 1,252,530
Total cost of revenue	644,441	121,222	124,451	—	—		890,114
Total gross profit	274,485	47,238	40,693	—	—		362,416
Total operating expenses	249,815	62,934	36,856	3,198	(1) 676	(3,757) (6)	
				(660) (2)			349,062
Operating income (loss)	24,670	(15,696)	3,837	(2,538)	(676)	3,757	13,354
Other (income) expense							
Interest income	(105)	(1)	—	—	(1,196)	1,196 (7)	(106)
Interest expense	52,057	4,960	1	5,258 (3)	—	2,295 (8)	64,571
Other expense, net	87	—	—	—	—		87
Interest expense and other, net	52,039	4,959	1	5,258	(1,196)	3,491	64,552
(Loss) income before income taxes	(27,369)	(20,655)	3,836	(7,796)	520	266	(51,198)
Income tax (benefit) expense	(19,348)	80	—	1,437 (4)	222	(311) (9)	(17,919)
Net (loss) income	\$ (8,021)	\$ (20,735)	\$ 3,836	\$ (9,233)	\$ 298	\$ 577	\$ (33,279)
Weighted average shares outstanding, basic					5,045,566	63,945,835 (10)	68,991,401
Basic net loss per share					\$ (0.11)		\$ (0.48)
Weighted average shares outstanding, diluted					5,045,566	63,945,835 (10)	68,991,401
Diluted net loss per share					\$ (0.11)		\$ (0.48)

See accompanying notes to unaudited pro forma combined financial statements.

CONVERGEONE HOLDINGS, INC.
UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2016
(in thousands, except share and per share data)

	(A) CI Investment Corp.	(E) SPS Holdco, LLC.	(F) AOS, Inc.	Pro Forma Acquisition Adjustments		(G) Forum	Pro Forma Merger Adjustments		Pro Forma Combined
Total revenue	\$ 815,609	\$ 321,464	\$177,347	\$ —		\$ —			\$ 1,314,420
Total cost of revenue	566,365	220,876	132,540	—		—			919,781
Total gross profit	249,244	100,588	44,807	—		—			394,639
Operating expenses	202,742	97,816	41,075	1,364	(1)	2	(419)	(6)	342,580
Impairment of Goodwill	—	70,861	—	(70,861)	(5)	—			—
Total operating expenses	202,742	168,677	41,075	(69,497)		2	(419)		342,580
Operating income (loss)	46,502	(68,089)	3,732	69,497		(2)	419		52,059
Other (income) expense									
Interest income	(11)	(29)	—	—		—			(40)
Interest expense	31,438	6,157	1	947	(3)	—	2,295	(8)	40,838
Other expense, net	10	—	—	—		—			10
Interest expense and other, net	31,437	6,128	1	947		—	2,295		40,808
Income (loss) before income taxes	15,065	(74,217)	3,731	68,550		(2)	(1,876)		11,251
Income tax expense (benefit)	6,716	167	—	(1,030)	(4)	—	(1,915)	(9)	3,938
Income (loss) from continuing operations	8,349	(74,384)	3,731	69,580		(2)	39		7,313
Loss from discontinued operations	—	—	(3,235)	—		—	—		(3,235)
Net income (loss)	<u>\$ 8,349</u>	<u>\$ (74,384)</u>	<u>\$ 496</u>	<u>\$ 69,580</u>		<u>\$ (2)</u>	<u>\$ 39</u>		<u>\$ 4,078</u>
Weighted average shares outstanding, basic						<u>3,125,000</u>	65,303,335	(10)	<u>68,428,335</u>
Basic net income per share						<u>\$ 0.00</u>			<u>\$ 0.06</u>
Weighted average shares outstanding, diluted						<u>3,125,000</u>	67,103,335	(10)	<u>70,228,335</u>
Diluted net income per share						<u>\$ 0.00</u>			<u>\$ 0.06</u>

accompanying notes to unaudited pro forma combined financial statements.

Pro Forma Adjustments to the Unaudited Condensed Combined Statements of Income (in thousands, except share data)

- (A) As reported in C1's audited consolidated financial statements for the year ended December 31, 2017 and 2016, as included in Exhibit 99.5 to this Form 8-K/A.

Derived from the unaudited consolidated financial statements of SPS Holdco, LLC for the six month period ended June 30, 2017, as included in the ConvergeOne Holdings, Inc. Form 8-K filed with the Securities and Exchange Commission on February 22, 2018, plus activity for the period from July 1, 2017 to August 15, 2017. SPS results from the date of acquisition to December 31, 2017 are included in C1's financial statements for the year ended December 31, 2017.
- (C) Derived from the unaudited consolidated financial statements of AOS, Inc. for the nine month period ended October 1, 2017, as included in the ConvergeOne Holdings, Inc. Form 8-K filed with the Securities and Exchange Commission on February 22, 2018, plus activity for the period from October 2, 2017 to December 14, 2017. AOS results from the date of acquisition to December 31, 2017 are included in C1's financial statements for the year ended December 31, 2017.
- (D) Derived from the audited consolidated financial statements of Forum for the year ended December 31, 2017, as included in the Forum Merger Corporation Form 10-K filed with the Securities and Exchange Commission on February 20, 2018.
- (E) Derived from the consolidated financial statements of SPS Holdco, LLC for the year ended December 31, 2016, as included in the ConvergeOne Holdings, Inc. Form 8-K filed with the Securities and Exchange Commission on February 22, 2018.
- (F) Derived from the consolidated financial statements of AOS, Inc. for the year ended December 25, 2016, as included in the ConvergeOne Holdings, Inc. Form 8-K filed with the Securities and Exchange Commission on February 22, 2018.
- (G) Derived from the audited statements of operations of Forum for the period from November 17, 2016 (inception) through December 31, 2016 as included in the Forum Merger Corporation Form 10-K filed with the Securities and Exchange Commission on February 20, 2018.

Pro Forma SPS and AOS Acquisition Adjustments

- (1) To eliminate SPS's and AOS's historical amortization of identifiable intangibles and record the amortization of identifiable intangibles resulting from the acquisition of SPS and AOS.
- (2) To eliminate transaction costs incurred in the year ended December 31, 2017 resulting from the acquisition of SPS and AOS.
- (3) To eliminate SPS's and AOS's historical interest expense and to record the increase in interest expense, which includes the amortization of the deferred financing fees. The interest expense is calculated based on the Term Loans interest rate of 6.09% and Revolving Loan Facility of 4.5% at September 30, 2017, resulting from the borrowings under C1 financing facilities to fund the purchase price. The impact on interest expense of a 1% change in interest rates would be approximately \$1,170 for each of the years ended December 31, 2017 and 2016.
- (4) To reflect the income tax effect of the pro forma adjustments and Acquisitions using C1's historical operating effective rate of 34.3% and 44.6% for the years ended December 31, 2017 and 2016, respectively.
- (5) To reverse the impairment of goodwill recorded by SPS as a result of eliminating historical goodwill.

Pro Forma Adjustments to the Unaudited Condensed Combined Statements of Income—(Continued)

Pro Forma Merger Adjustments

- Represents an adjustment to eliminate direct, incremental offering costs which are reflected in the historical financial statements of C1 in the amount of \$3,757 and \$419 for the years ended December 31, 2017 and 2016, respectively. There were no such amounts recorded for Forum for the years ended December 31, 2017 and 2016.
- (7) Represents an adjustment to eliminate interest income on marketable securities held in the trust account as of the beginning of the period.
- (8) To record interest expense on additional borrowings to fund the closing of the Business Combination. The interest expense is calculated based on the Revolving Loan Facility of 4.5% at December 31, 2017. The impact on interest expense of a 1% change in interest rates would be approximately \$510 for each of the years ended December 31, 2017 and 2016.
- (9) To record normalized blended statutory income tax benefit rate of 35.0% for pro forma financial presentation purposes.
- (10) As the Business Combination is being reflected as if it had occurred at the beginning of the period presented, the calculation of weighted average shares outstanding for basic and diluted net income (loss) per share assumes that the shares issuable relating to the Business Combination and the PIPE investors have been outstanding for the entire period presented. If the maximum number of shares are redeemed, this calculation is retroactively adjusted to eliminate such shares for the entire period. Weighted average common shares outstanding—basic and diluted are calculated as follows:

	<u>Year Ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Weighted average shares calculation, basic		
Forum weighted average public shares outstanding	5,045,566	3,125,000
Forum Sponsor shares	—	562,500
Forum public shares	—	309,091
Forum Sponsor private placement shares	—	622,500
Sponsor shares	—	172,500
Forum rights converted to shares	1,787,250	1,787,250
Forum shares subject to redemption reclassified to equity	309,091	—
Forum shares cancelled and subject to forfeiture	(3,234,375)	(3,234,375)
Shares issued to PIPE investors	17,959,375	17,959,375
Forum shares issued in Business Combination	47,124,494	47,124,494
Weighted average shares outstanding	<u>68,991,401</u>	<u>68,428,335</u>
Percent of shares owned by C1 holders	68.3%	68.9%
Percent of shares owned by PIPE investors	26.0%	26.2%
Percent of shares owned by Forum	5.7%	4.9%

	<u>Year Ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Weighted average shares calculation, basic		
Existing C1 holders	47,124,494	47,124,494
PIPE investors	17,959,375	17,959,375
Forum holders	3,907,532	3,344,466
Weighted average shares, basic	<u>68,991,401</u>	<u>68,428,335</u>

Pro Forma Adjustments to the Unaudited Condensed Combined Statements of Income—(Continued)

	Year Ended December 31,	
	2017	2016
Weighted average shares calculation, diluted		
Common shares issued in Business Combination	47,124,494	47,124,494
Shares issued to PIPE investors	17,959,375	17,959,375
Forum holders	3,907,532	3,344,466
Unit purchase options	—	1,800,000
Weighted average shares outstanding	68,991,401	70,228,335
Percent of shares owned by C1 holders	68.3%	67.1%
Percent of shares owned by PIPE investors	26.0%	25.6%
Percent of shares owned by Forum	5.7%	7.3%

	Year Ended December 31,	
	2017	2016
Weighted average shares calculation, diluted		
Existing C1 holders	47,124,494	47,124,494
PIPE investors	17,959,375	17,959,375
Forum holders	3,907,532	5,144,466
Weighted average shares, diluted	<u>68,991,401</u>	<u>70,228,335</u>

The computation of diluted loss per share for the year ended December 31, 2017 excludes the effect of (1) 1,125,000 shares of Common Stock, warrants to purchase 562,500 shares of Common Stock and rights that convert into 112,500 shares of Common Stock in the UPO (as defined in the Forum Merger Corporation Form S-4 filed with the Securities and Exchange Commission on February 1, 2018) and (2) warrants to purchase 8,936,250 shares of common stock because the inclusion of any of these securities would be anti-dilutive.

The computation of diluted loss per share for the year ended December 31, 2016 excludes the effect of warrants to purchase 8,936,250 shares of Common Stock because the inclusion of these securities would be anti-dilutive.

Appendix 19
UCA and Key Features



UC Analytics & UC Analytics +

Key Features

 Skype for Business

 Office 365

SUMMARY

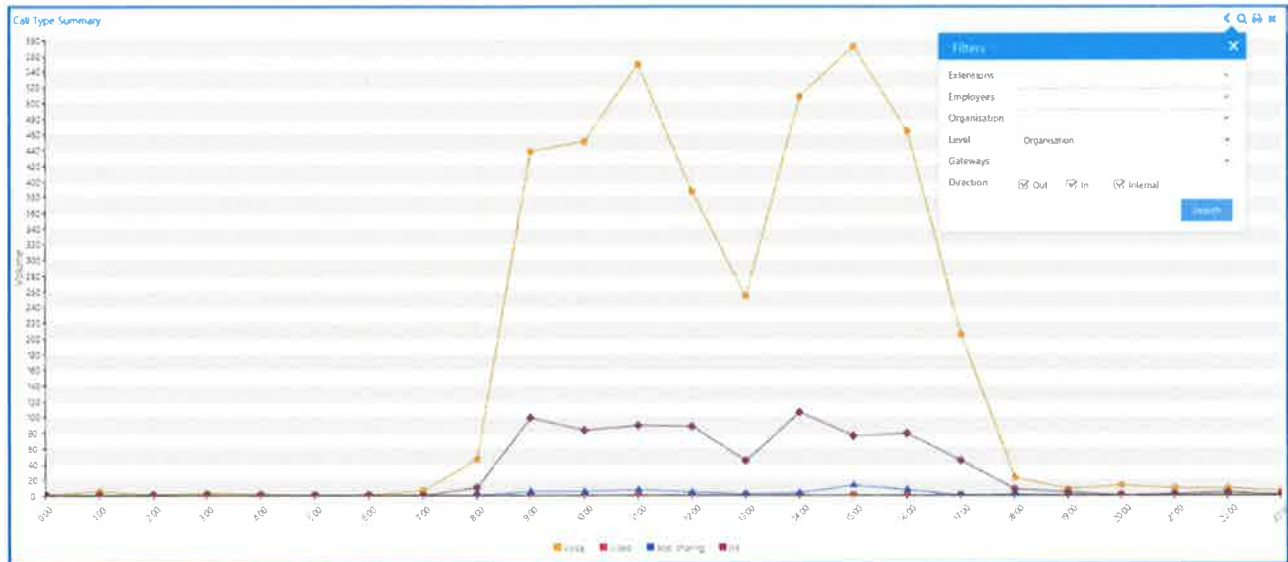
Code software has a portfolio of solutions designed and developed specifically for Skype for Business. They assist organisations in delivering productivity gains, assuring their return on investment in Skype for Business and drive the highest levels of service both internally and to their customers.

UC Analytics is a comprehensive, user driven CDR based reporting and monitoring solutions.

UC Analytics + is an additional module to UC Analytics with real time wallboards for organisations using Response Groups it is a cost-effective alternative to contact center.

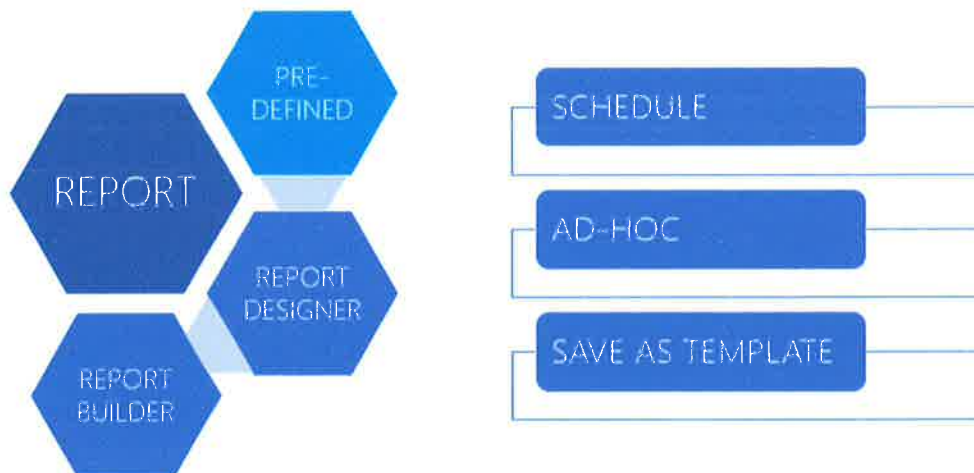
UC Recorder is a simple to use voice recording solution used for training and monitoring and dispute resolution.

All three solutions are delivered via a single user interface sharing the same back end data base. The core solution, UC Analytics, is used by thousands of organisations around the world due to its fully customisable nature which empowers users to define their reporting requirements to the software as oppose to the software defining their requirements.



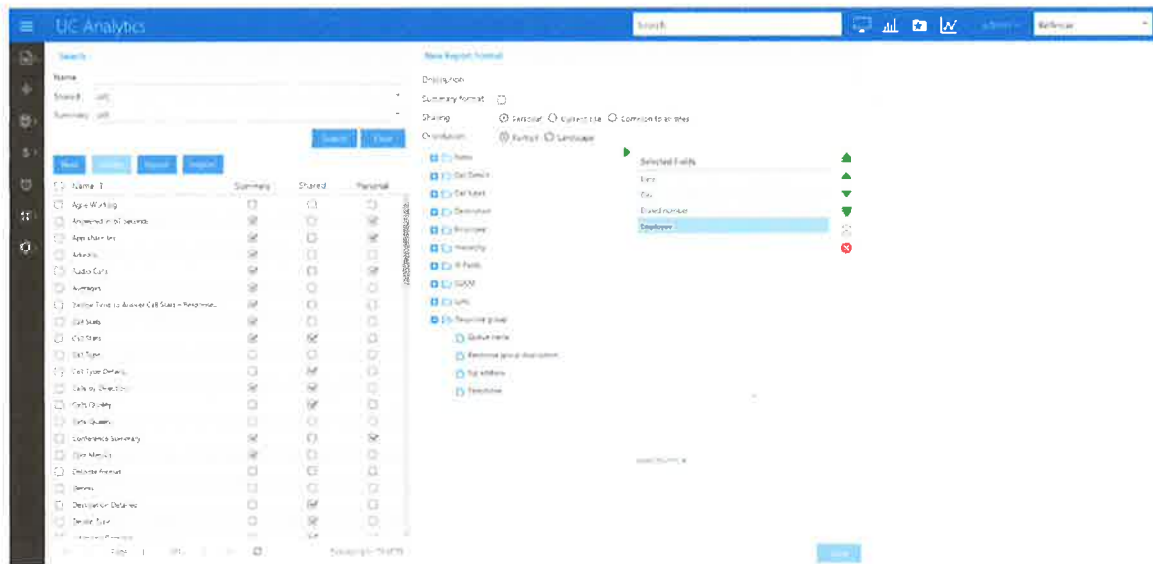
REPORTING

The reporting lies at the heart of UC Analytics. All reports can be scheduled to run automatically or generated on an ad-hoc basis, users can use either pre-defined system templates or create their own report layout using the report designer then filter and sort reports using the report builder. The reports can also be saved as templates for quick and easy future access. This means that the reporting options are literally unlimited. Reports are generated in MS Word, MS Excel, PDF or CSV format.

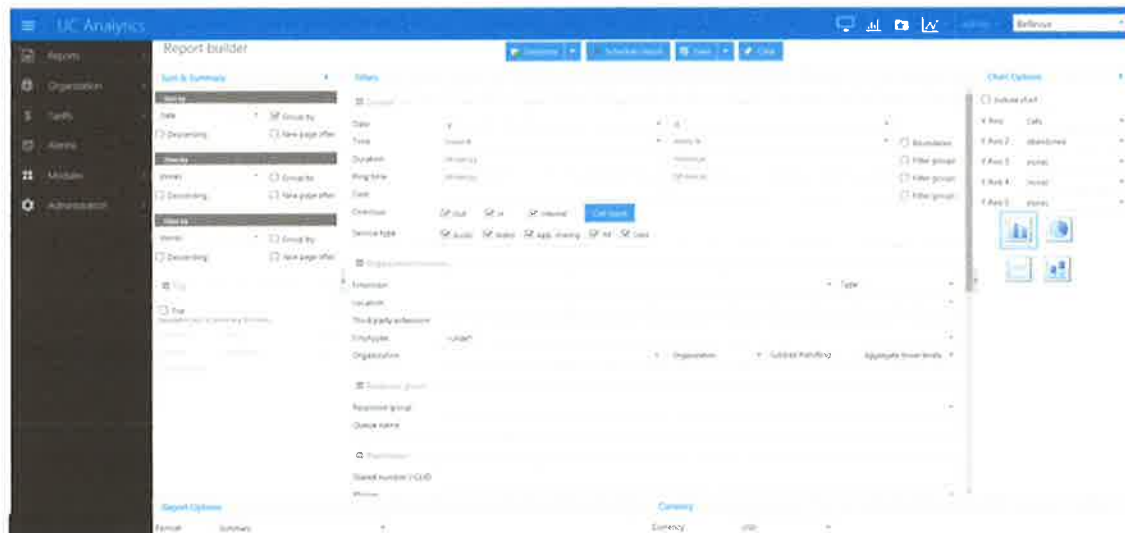


Creating new reports with only relevant fields is achieved with the **report designer** by simply dragging and dropping the required CDR fields, once selected you can further amend fields by repositioning, changing the text displayed or other field attributes

such as width. If a summary report format is selected it is possible to further customise the field by adding filters such as changing the aggregation method or specific conditions including call type, date range, ring time or service type.



Once the new format is satisfactory it is saved and on opening the **report builder** it is selected and when generated the report will only display the required fields. The report builder is where filters and sorting criteria are defined. General filters can be applied on date, time, call duration, ring time and cost. Call direction and service type can also be selected along with specific call types which can be equal or not equal to those checked. Additionally, you can apply filters at organisation level, for specific response groups, call destination, gateways or SBC's, IP Fields such as subnets and device details.



If required, the report can then have up to 3 levels of sorting to assist in delivering the information in the easiest to view format. Charts can also be included with up to 5 user defined criteria and a selection of chart types is offered bar, stacked bar, line or pie.

SYSTEMS MONITORS

In addition to the dashboard there are system monitors which give a clear, high level view of system performance and consumption of Skype for Business for a user defined date range. The modality system monitor shows total collaboration figures for each day and mousing over a specific day you can see a breakdown of the different types – Voice, Video, IM and App Sharing. The quality system monitor displays the volumes of calls falling within the Microsoft methodology of identifying a call as having been either a good or a poor quality call. You can also see from the system monitors the number of active and inactive users across the entire system giving a view of consumption along with total collaboration activity for today and yesterday.



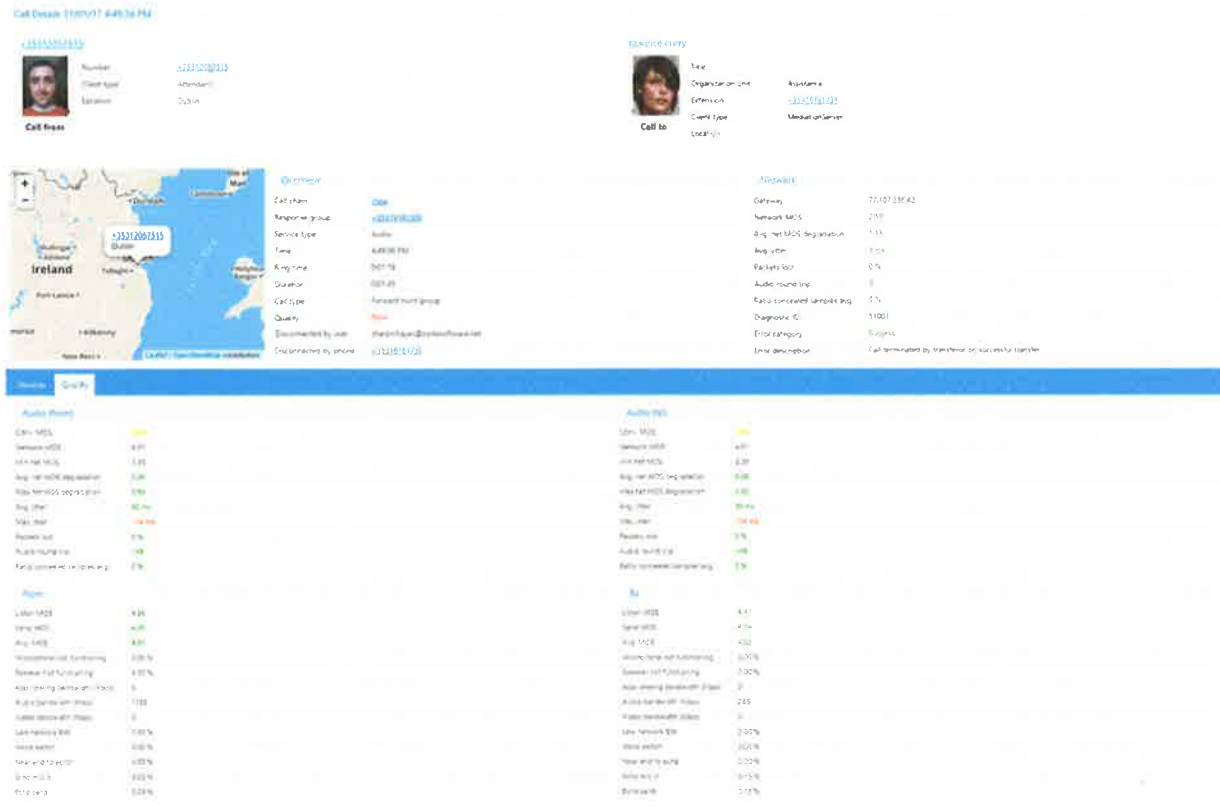
Modality System Monitor



Call Quality System Monitor

CALL DETAILS MONITOR

If a more detailed view is required for an individual call there is the call detail monitor. This is typically used to quickly see detailed call quality information used for route cause analysis of any issues. It is accessed from the call detail dashboard monitor and where basic call details can be seen including the call quality score. Clicking on the icon for the relevant call opens the call detail monitor which has comprehensive call statistics on both caller and callee. You can see general information; date, time, duration, ring time along and a map showing the legs of the call. Specific quality related details can be seen including network MOS, Jitter and packet loss. Device information includes client type and version, connection type was it a wired, wifi or VPN? What devices were used such as headset types giving a view of approved or unapproved devices.



USER MAP

User Adoption and Call Quality are the two key elements to ensuring the successful and productive delivery and on-going usage of Skype for Business. UC Analytics now delivers this combined information for a selected user in a simple to interpret and navigate interface with the User Map. This shows for a selected user and time frame detailed information on activity and associated call quality.

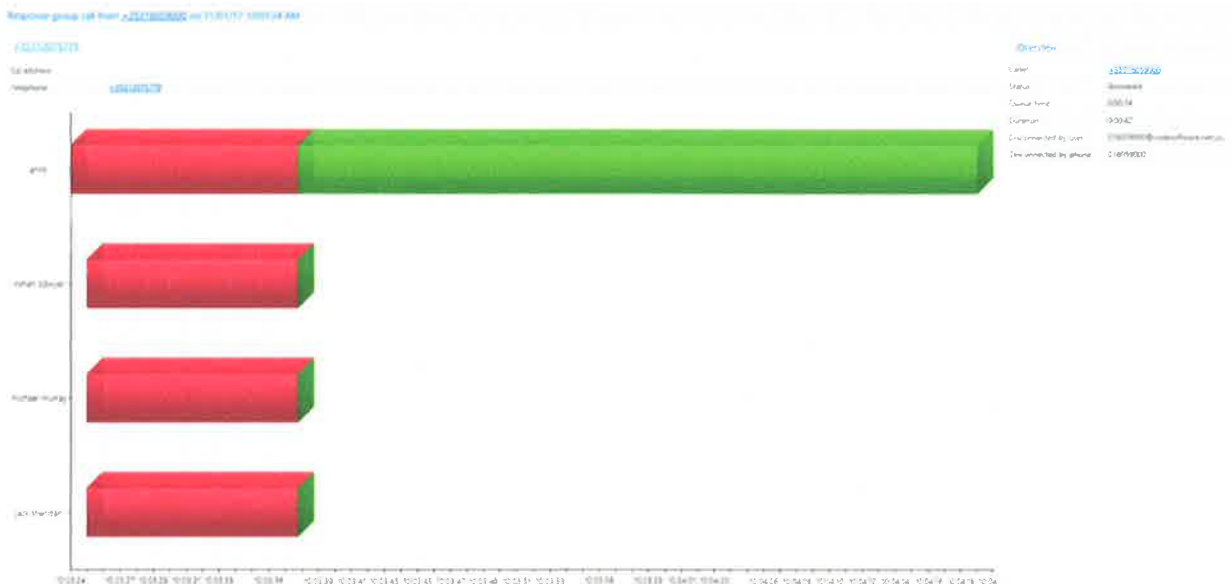
The **Calls** section show details for all Voice, Video, IM, Data and App Sharing activity for the selected user in the defined activity date range displaying date and start time, call participants and call quality. The call quality is based on the Microsoft methodology of grading call quality as being simply 'Good' or 'Poor' quality. If required, the call detail monitor (Previously detailed) can be opened from here by clicking on an individual call. **Conferences Organized** and **Conferences Attended** displays all conferences that the selected employee has organized and those attended with details of date and start time, number of participants and duration.

RESPONSE GROUP MAP

The Response Group Map gives a summary and detailed productivity view for a selected Response Group over a user defined date range. This includes an overview of performance; Total Calls, Answered Calls, Missed Calls, % Answered, Average Call Duration and Average Queue time.



It is possible to display individual call details where all agents that the call presented to are shown with Ring Time and Talk duration.



SECURITY POLICIES

The comprehensive, user defined security options are key to the successful delivery and usage of UC Analytics. It allows system administrators to configure user details and security policies which limits use of features and at an organizational level including full support for multi-tenanted environments.

ALARMS

It is possible to set up an unlimited number of system alarms which alert when a call threshold has been met. Typically the alert is delivered via email. Thresholds can be set on call duration, ring-time, call costs, Mean Opinion Score (MOS) and error ID.

AD INTEGRATION

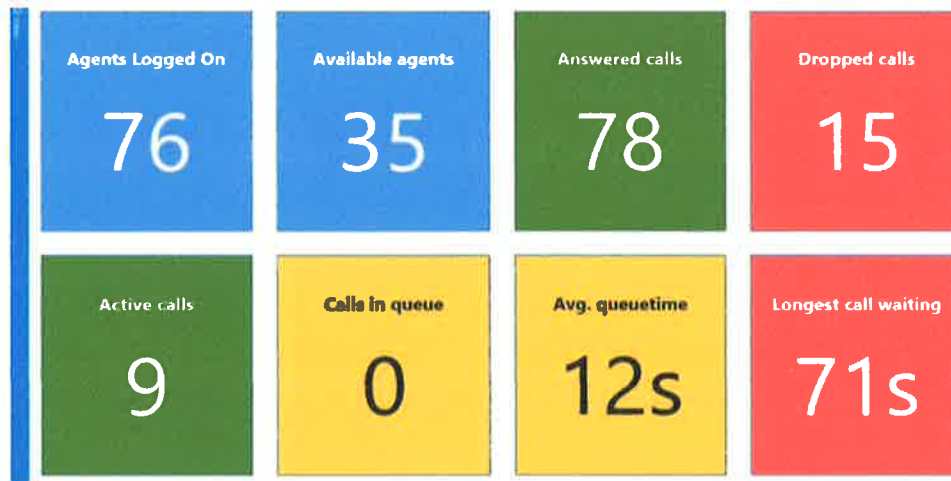
UC Analytics supports full AD integration meaning any moves / adds / changes made in an organisations AD will automatically update the organisations details in UC Analytics. This can be scheduled to run with a user defined frequency. The software also supports AD Authentication.

UC Analytics +

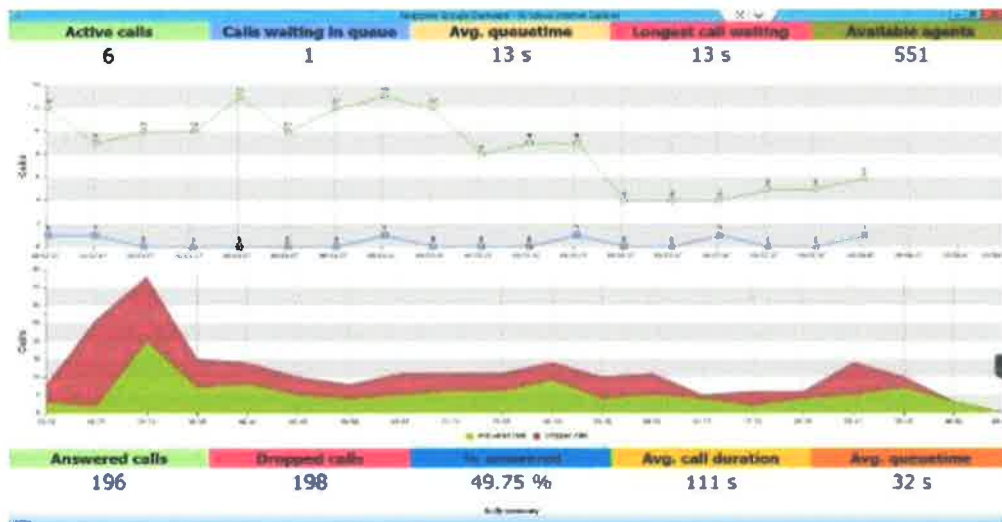
UC Analytics + is an additional module to UC Analytics built to support organisations that are using Response Groups and require live calls information delivered via wallboards however do not want nor need to invest in full Contact Centre software.

WALLBOARDS

The wallboards deliver a combination of live and historical call information to ensure that call handling times are at an acceptable level within a Response Group. The wallboards are generated in their own webpage so users can position them on the screen to suit their requirements. Filters can be applied directly to the wallboards on one or many Response Groups and other relevant criteria.



Available wallboards are; Response Group, Agent Status, Response Group Summary, Inbound Performance, Active Calls



ABOUT US

Formed in 2013, Code is a technology company focusing on analytics, reporting, recording and management solutions for Unified Communications.

As a company our goal is to assist organisation in optimizing their investment in UC, we also strive with our global network of partners to become a trusted and valued part of their eco-system.

We have installations in 5 continents ranging from SME's to multi-national global enterprises.

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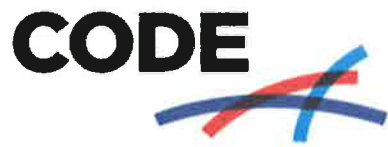
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Appendix 20

UCA Employee Productivity Reporting and Monitoring



UC Analytics

Employee Productivity Reporting & Monitoring



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Clear visibility of employee productivity allows organisations to ensure their Skype for Business installation is being used as efficiently as possible and call handling times are at an acceptable level. UC Analytics delivers comprehensive reports, dashboards and system alerts which will assist organizations in delivering the highest level of customer service.

//

Overview

This document focuses on the features of UC Analytics that can assist organisations specifically around the areas of employee productivity. However, the general reporting and monitoring capabilities of UC Analytics covers all aspects of Skype for Business usage. It delivers business critical information around user adoption, call quality and SIP trunk usage and call costs including call billing.

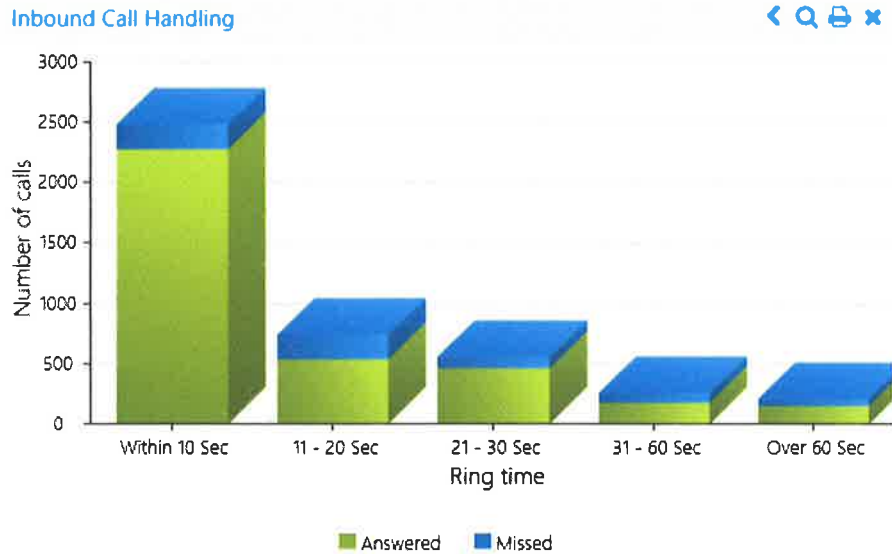
UC Analytics takes detailed call information from CDR's (Call Detail Records) generated by Skype for Business, gateways and SBC's.

The Dashboard shows a snapshot of system performance, it is configurable to individual user requirements ensuring the relevance of the information displayed. Although not real time the dashboard is updated approximately every 60 seconds.

At the heart of UC Analytics is the powerful and user defined reporting. Reports are generated either using the canned reports or built by users defining the report format with the Report Designer and filtering using the Report Builder. All reports can be scheduled to run automatically, saved as templates or ran on an ad-hoc basis. Because of this flexibility in reporting your options are literally endless which ensures the relevance of the reports.

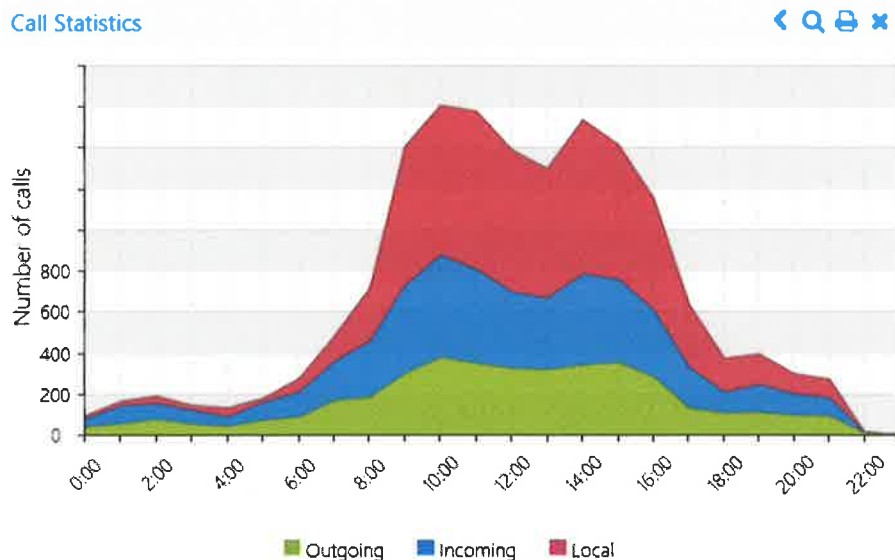
Dashboards

Inbound Call Handling



This gives a view of the total call volumes handled within a ring time. As a default this includes both Answered and Missed calls however by clicking on the Answered or Missed at the bottom of the chart they can be de-selected as required. Filters can be applied directly on to the dashboard on Extensions, Employees, Organization, Level (This selects the Organizational Unit criteria) and Response Groups.

Call Statistics



This gives a view of the total Number of calls for different directions: Outgoing, Incoming and Local (Internal). Clicking on the key at the bottom will deselect the call direction from the chart. Filters can be applied directly on Extensions, Employees, Organization, Level (This selects the Organizational Unit criteria), Gateways and Federated calls.

Inbound Call Summary

Inbound Call Summary < Q x

Employee	Total calls ↓	Missed calls	Avg. ringtime	Peak ringtime	Avg. duration	Peak duration
Uk Lync Uk Lync	295	0	0:00:01	0:00:16	0:01:07	0:27:38
Gillian Morewood	140	0	0:00:00	0:00:08	0:01:15	0:15:15
Dialin Lync Extension	116	0	0:00:00	0:00:03	0:00:22	0:01:06
Shanghai Main	115	0	0:00:02	0:00:05	0:04:53	0:36:13
Benjamin Woodward	112	111	0:00:11	0:00:41	0:00:01	0:02:48
Undefined	105	9	0:00:08	0:00:36	0:02:43	0:19:38
Sarah Read	86	73	0:00:22	0:01:21	0:00:00	0:00:04
Vaa It Helpdesk1	77	3	0:00:03	0:00:10	0:06:16	0:35:31
Lgw Engineering 3	53	38	0:00:22	0:02:06	0:00:00	0:00:00
Lhr Clubhouse Bar	50	0	0:00:05	0:00:18	0:01:02	0:05:17
Samantha Black	49	4	0:00:33	0:02:32	0:01:17	0:08:27

Page 1 of 23 Displaying 1 - 50 of 1104

Summary inbound call information for employees is shown in this table. The fields displayed are Employee, Total calls, Missed calls, Avg. ringtime, Peak ringtime, Avg. duration (talk time) and Peak duration (Talk Time). By default, calls are displayed with the highest Total calls first but sorting can be applied to any field.

Filters can be applied directly on Response Groups, Extensions, Employees, Organization, Level (This selects the Organizational Unit criteria), Dialed numbers and call direction. A full report can be generated directly from the table. This will show the individual call information for the selected employee for that day. The fields displayed on the report are Extension, Time, Duration, Ring time, Response group, Call type and Dialed number (CLID).

Outbound Dials

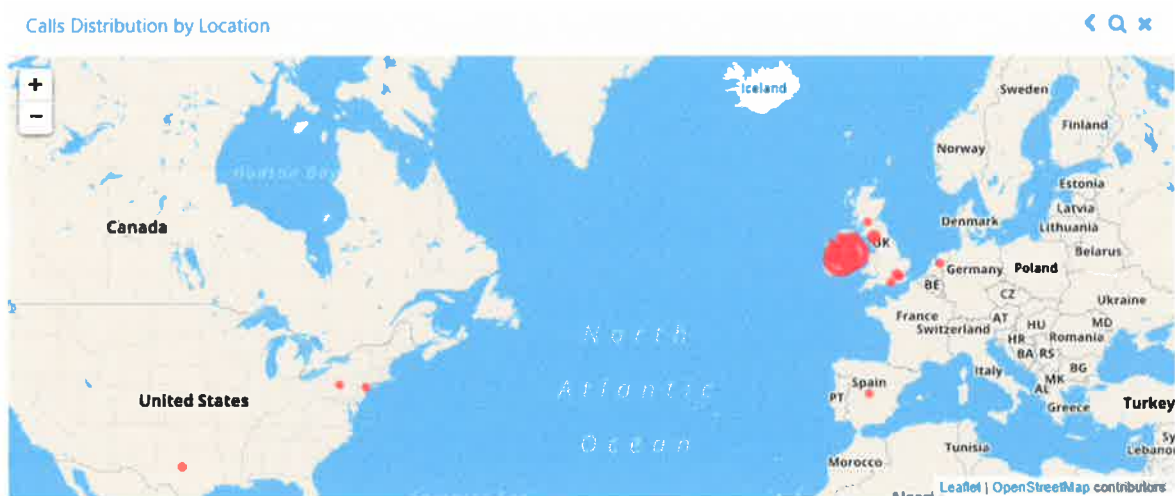
Outbound Dials < Q x

Employee	Total dials	Answered	Unanswered	Talk time ↓	Average talk time
Shanghai Main	116	116	0	11:08:09	0:05:45
Ayuki Wei	1	1	0	9:33:59	9:33:59
Eva Leung	2	2	0	8:35:29	4:17:44
Iad Brief	1	1	0	8:33:17	8:33:17
Joanne Parry	1	1	0	8:30:08	8:30:08
Vaa It Helpdesk1	76	74	2	8:22:03	0:06:47
Ewan White	2	2	0	7:37:21	3:48:40
Vanessa Yu	2	2	0	6:03:43	3:01:51
Undefined	105	94	11	4:46:39	0:03:02
Gillian Heath	1	1	0	4:17:45	4:17:45
Flyingcora Lync Extension	32	32	0	3:35:13	0:06:43

Page 1 of 17 Displaying 1 - 50 of 835

Summary outbound dials information for employees is shown in this table. The fields displayed are Employee, Total dials, Answered, Unanswered, Talk time, Average talk time. By default, calls are displayed with the highest Talk time first but sorting can be applied to any field. Filters can be applied directly on Organization, Level (This selects the Organizational Unit criteria) and Employees. A full report can be generated directly from the table showing the individual call information for the selected employee for that day.

Call Distribution by Location



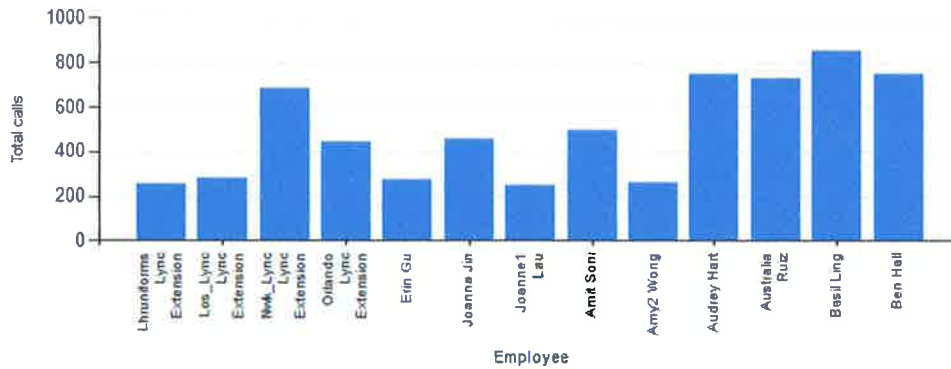
This displays a heat map of calls where the larger the red dot the larger call volumes. It is possible to zoom in to specific regions and the position of the map can be changed. Filters can be applied directly on Extensions, Employees, Organization, Gateways, Regions and call Direction.

Reports

The flexibility of the reporting in UC Analytics means that you can define exactly the fields to be displayed in reports and apply numerous filters such as date and time range, call direction, call type, ring time, abandoned calls, organisation unit, response group, employee and more. In addition the summary reports have click through capabilities so clicking on a department / response group you will be taken to the next level – individual employee summaries and clicking on an employee will display individual call details for them.

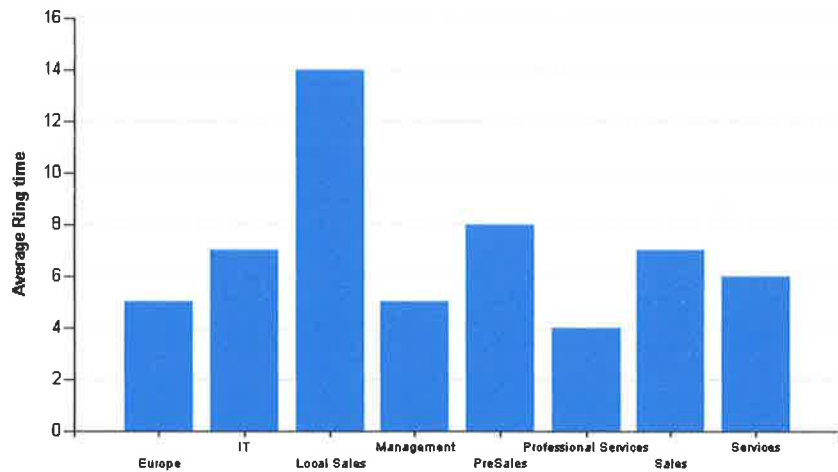
Below are examples of summary and detailed employee and response groups based reports.

TOP EMPLOYEES



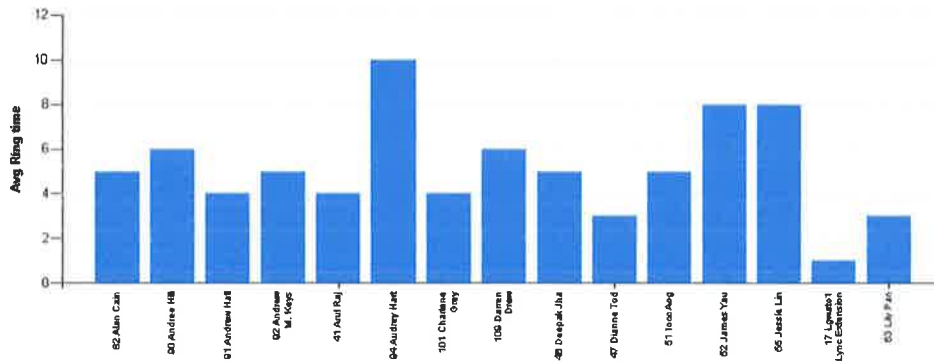
No.	Employee	Calls	Duration	Cost
1	Basil Ling	850	11:29:46	0.0000
2	Audrey Hart	749	9:33:39	0.0000
3	Ben Hall	747	8:53:44	0.0000
4	Australia Ruiz	726	9:24:36	0.0000
5	Nwk_Lync Lync Extension	681	11:37:03	0.0000
6	Amit Soni	494	12:35:17	0.0000
7	Joanna Jin	455	8:17:31	0.0000
8	Orlando Lync Extension	446	0:41:02	0.0000
9	Los_Lync Lync Extension	283	7:56:01	0.0000
10	Erin Gu	274	3:48:54	0.0000
11	Amy2 Wong	261	13:39:23	0.0000
12	Lhruniforms Lync Extension	257	4:54:17	0.0000
13	Joanne1 Lau	250	4:57:39	0.0000
Total		6473	107:48:52	0.0000

AVERAGE RING TIME BY DEPARTMENT



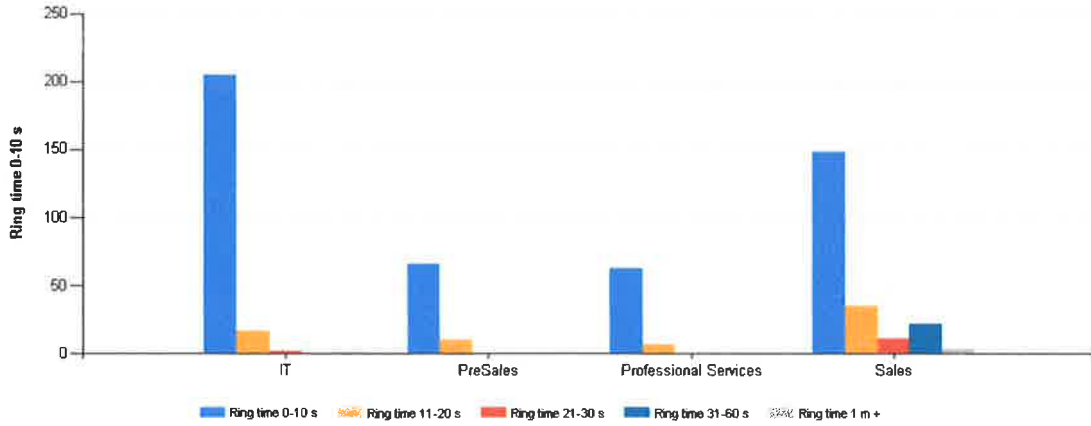
Department	Average Ring time
Europe	0:00:05
IT	0:00:07
Local Sales	0:00:14
Management	0:00:05
PreSales	0:00:08
Professional Services	0:00:04
Sales	0:00:07
Services	0:00:06
Total for 362 calls	

AVERAGE WAIT TIME TO GET TO AN AGENT



Employee	Calls	Duration	Avg Duration	Ring time	Avg Ring time
Alan Cain	162	3:56:37	0:01:27	0:14:47	0:00:05
Andre Hill	131	4:43:08	0:02:09	0:14:29	0:00:06
Andrew Hall	144	4:25:26	0:01:50	0:10:22	0:00:04
Andrew M. Keys	73	2:56:41	0:02:25	0:06:35	0:00:05
Arul Raj	148	7:43:09	0:03:07	0:11:24	0:00:04
Audrey Hart	749	9:33:39	0:00:45	2:11:58	0:00:10
Charles Grey	100	2:36:47	0:01:34	0:07:28	0:00:04
Darren Drew	112	0:36:53	0:04:36	0:11:18	0:00:06
Deepak Jha	80	3:03:09	0:02:17	0:07:55	0:00:05
Dianne Tod	104	2:13:28	0:01:17	0:06:49	0:00:03
Ioccc Aog	137	6:48:35	0:02:50	0:12:35	0:00:05
James Yau	62	1:56:41	0:01:52	0:08:19	0:00:08
Jessie Lin	104	4:45:31	0:02:44	0:15:10	0:00:08
Lgwato1 Lync Extension	63	0:59:24	0:00:56	0:01:26	0:00:01
Lily Pan	181	4:46:28	0:01:34	0:11:05	0:00:03
Total for 2350 calls					
	2350	69:05:36	0:01:45	4:31:40	0:00:06

INBOUND CALL HANDLING SUMMARY

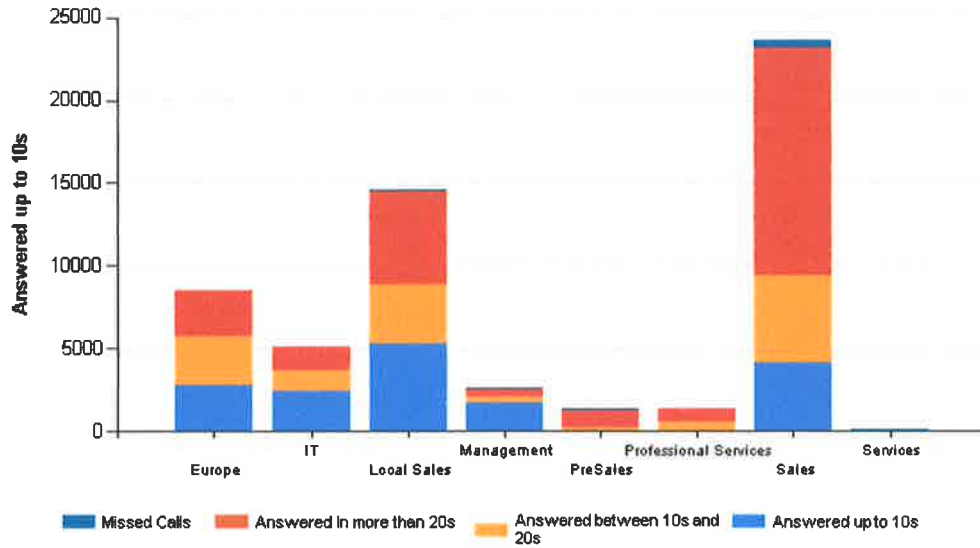


Organisation	Calls	Answered	Abandoned	Ring time 0-10 s	Ring time 11-20 s	Ring time 21-30 s	Ring time 31-60 s	Ring time 1 m+
IT	225	225	0	205	17	2	0	1
PreSales	76	76	0	66	10	0	0	0
Professional Services	69	69	0	62	7	0	0	0
Sales	218	194	24	148	35	11	22	3
Total for 588 calls	588	564	24	481	69	13	22	4

RESPONSE GROUP AVERAGES

Response group	Calls	Duration	Avg Duration	Ring time	Avg Ring time
		21	0:21:04	0:01:00	0:00:15
+35314873200		58	0:47:55	0:00:49	0:00:48
+35314873224		4	0:00:00	0:00:00	0:00:08
+35314873225		3	0:00:00	0:00:00	0:00:09
+35316181300		3168	34:59:49	0:00:39	11:36:13
+35316181731		1	0:00:00	0:00:00	0:00:20
+35318721608		551	8:54:21	0:00:58	1:01:14
+353212375080		7	0:10:19	0:01:28	0:01:09
+353214930290		22	0:26:17	0:01:11	0:05:43
+353214930295		20	0:28:43	0:01:26	0:05:17
+353906602380		6	0:03:54	0:00:39	0:01:01
Asia Sales		347	4:22:33	0:00:45	0:41:20
INTL Support		1	0:00:00	0:00:00	0:00:04
IT		1	0:00:00	0:00:00	0:00:26
Sales		5	0:01:15	0:00:15	0:01:20
Support Desk		79	3:51:53	0:02:56	0:35:03
Total for 4294 calls		4294	54:28:03	0:00:45	14:57:26

SUMMARY TIME TO ANSWER – RESPONSE GROUPS



Organisation	Answered up to 10s	Answered between 10s and 20s	Answered in more than 20s	Missed Calls
Europe	0:46:23	0:49:14	0:45:56	0
IT	0:41:19	0:20:52	0:23:07	0
Local Sales	1:28:21	1:00:14	1:33:54	41
Management	0:28:49	0:05:42	0:08:21	2
PreSales	0:00:34	0:02:18	0:19:49	27
Professional Services	0:00:40	0:08:34	0:14:02	0
Sales	1:09:19	1:27:38	3:50:01	364
Services	0:00:23	0:00:35	0:01:17	5
Total for 4292 calls	4:35:48	3:55:07	7:16:27	439

RESPONSE GROUP SUMMARY

Response group	Calls	Duration	Cost (USD)	Extensions	Abandoned
	72	0:21:04	0.00	20	0
+35314873200	58	0:47:55	0.00	5	27
+35314873224	4	0:00:00	0.00	1	4
+35314873225	3	0:00:00	0.00	1	3
+35316181300	3172	35:01:53	0.00	5	305
+35318721608	552	8:56:59	0.00	2	55
+353212375080	7	0:10:19	0.00	2	1
+353214930290	22	0:26:17	0.00	2	0
+353214930295	20	0:28:43	0.00	3	0
+353906602380	6	0:03:54	0.00	2	2
Asia Sales	349	4:25:50	0.00	2	37
IT	1	0:00:00	0.00	1	1
Sales	5	0:01:15	0.00	2	3
Support Desk	79	3:51:53	0.00	6	1
Total for 4350 calls	4350	54:36:02	0.00	40	439

RESPONSE GROUPS SUMMARY BY AGENTS

Response group	Employee	Calls	Duration	Cost (USD)	Extensions	Abandoned
Asia Sales	Amrit Soni	312	4:25:50	0.00	1	0
Asia Sales	Mark Cox	37	0:00:00	0.00	1	37
Asia Sales		349	4:25:50	0.00	2	37
IT	Legal8 Lync Extension	1	0:00:00	0.00	1	1
IT		1	0:00:00	0.00	1	1
Sales	Conf Vlc	2	0:01:15	0.00	1	0
Sales	Lhr Sma	3	0:00:00	0.00	1	3
Sales		5	0:01:15	0.00	2	3
Support Desk	Connie Au	16	0:47:33	0.00	1	0
Support Desk	Hotdesk2 Lync Extension	1	0:00:00	0.00	1	1
Support Desk	Roomlax Lync Extension	3	0:07:12	0.00	1	0
Support Desk	Roomord Lync Extension	3	0:08:06	0.00	1	0
Support Desk	Roomso Lync Extension	7	0:11:57	0.00	1	0
Support Desk	Rtcapplication-00540Bf1-9147-412C-Adf8-4Cb017Bb0484 Lync Extension	49	2:37:05	0.00	1	0
Support Desk		79	3:51:53	0.00	6	1

USER ACTIVITY

Here we can see agents who have abandoned calls although their status was available as can be seen highlighted below.

Extension	Employee	Response group	Number	Date	Time	Ring time	Duration	Status	Call type
roy.deller@savills.le	Abigail Cox		+35316181426	27/08/14	8:03:40 AM	0:00:10	0:01:06	Available	Answered
Legs:	1								
+35316181300	Orlando Lync Extension	+35316181300	+353851868205	27/08/14	8:12:34 AM	0:00:01	0:00:00	Available	Abandoned
Legs:	1								
sneary@varming.le	Rana Lee		+35314872373	27/08/14	8:15:16 AM	0:00:23	0:00:00	Available	Answered
Legs:	1								
david.potter@savills.le	Erin Gu		+353872393440	27/08/14	8:15:35 AM	0:00:10	0:00:40	Available	Answered
Legs:	1								
sneary@varming.le	Rana Lee		+353906602302	27/08/14	8:32:45 AM	0:00:10	0:00:32	Available	Answered

SUMMARY BY DEPARTMENT AND EMPLOYEE

Department	Employee	Answered	Abandoned	Voice mail	Transferred
Europe	Alan Cain	481	0	45	35
Europe	Andree Hill	581	0	30	28
Europe	Andrew Hall	589	6	72	29
Europe	Andrew M. Keys	484	0	15	11
Europe	Arul Raj	661	0	3	21
Europe	Audrey Hart	1116	0	90	2
Europe	Charlene Grey	299	0	45	1
Europe	Darren Drew	338	0	13	11
Europe	Deepak Jha	348	0	6	12
Europe	Dianne Tod	201	0	42	5
Europe	Ioccc Aog	1055	0	5	11
Europe	James Yau	272	0	6	22
Europe	Jessie Lin	287	0	5	52
Europe	Lgwato1 Lync Extension	130	0	48	1
Europe	Lily Pan	684	1	70	25
Europe		7526	7	495	266

Alarms

It is possible to use the alarms to instantly deliver a notification when a call handling issue arises. Because UC Analytics is CDR based alerts are generated immediately after a call is terminated – no notification is given whilst a call is in progress.

The two thresholds that are productivity related and will trigger an alert are ring time over a user defined time in seconds and talk duration over a user defined time.

When an alert is triggered an email is delivered to one or many recipients making UC Analytics an ideal to pro-actively address call handling issues. Typically on receiving an alert detailed reports are run and further investigation can be done.

ABOUT US

Code is a technology company specialising in analytics and reporting and recording for Unified Communications. We have previous experience in delivering some of the largest call management projects to have been implemented and have applied this knowledge to Code resulting in a refreshingly innovative company with a wealth of experience.

As a company our purpose is to assist organisations who use Skype4Business, Skype Online (O365) in maximising their investment in Unified Communications. We also strive with our partners to become a trusted and valued part of their eco-system.

We have installations in 5 continents ranging from SME's to multi-national global enterprises.

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