1. General

These Additional Contract Terms shall apply to and be incorporated into any Agreement between virtualDCS and a Customer for the provision of CloudCover Services, in addition to the relevant Order Form (pursuant to which these Services were ordered), any Statement of Work annexed thereto, and virtualDCS's General Terms. The order of priority between such documents in the event of conflict is described in clause 1 of the General Terms.

2. Interpretation

2.1 Save only where expressly stated otherwise in this clause 2, the terms defined in the General Terms shall apply in these Additional Contract Terms. The following definitions shall also apply in these Additional Contract Terms:

Commencement Date	*the date of commencement of these Services;*
CloudCover Service	*means in respect of each of the Protected Systems that service of CloudCover backup services described in these Additional Contract Terms, as are more particularly described in the relevant Order Form, and at the applicable Service Level;*
Disaster	*means an event or circumstance in relation to the Customer resulting in an interruption to the functioning of or inaccessibility to the Protected Systems that is unplanned (and in relation to another Subscriber entitling it to use all or part of the services of virtualDCS for disaster recovery purposes);*
Hours of Cover	*means the times during which a Customer can expect virtualDCS to provide Support relating to the Agreement, as set out or referred to in the Service Agreement);*
Network Bandwidth	*means the size of the network connection, in relation to how much data can be passed through it.*
Protected Systems	*means those systems Backed up to the CloudCover service;*
Rate of Change	*means the amount of data being changed on a customer's server in a period of time.*
Service Level	*means the level of Service described at Schedule 2 (including the manner of delivery of which is described in outline in our proposal as amended or varied by virtualDCS from time to time);*
Service Desk Hours	*means the hours the service Desk operates, which is Monday - Friday 9:00 to 17:30 excluding bank holidays. Unless otherwise detailed on the order form.*
Software	*means data, operating and application software used or provided by the Customer essential for the correct operation of the Protected Systems;*
Subscriber	*means a third party entitled to use the services of virtualDCS for disaster recovery purposes;*
Support	*means maintenance and configuration of the Backup and Recovery process.*

Test Recovery	*means by which the CloudCover Service is tested (not in the course of a Disaster) from time to time by which the Customer can ensure they can Recover systems using virtualDCS CloudCover Service to their satisfaction such Testing to take place according to such procedures and protocols as virtualDCS may stipulate from time to time;*
Recovery/Recoveries	*means the restoring of files to the customer protected by the Service.*

3.   Services

3.1   In consideration of the Fees payable by the Customer to virtualDCS, virtualDCS shall make available to the Customer on the terms and conditions of this Agreement:

3.1.1   the CloudCover Service in accordance with the Service Level;

3.1.2   technical assistance as determined by virtualDCS to support the Customer in Test Recoveries and Recoveries for the Term.

4.   Use of the CloudCover Service

4.1   The Customer shall be entitled to Recover all or part of the CloudCover Service for purpose of dealing with a Disaster or conducting Test Recoveries.

4.2   VirtualDCS shall be entitled on not less than 30 (thirty) days' notice to the Customer to change the CloudCover Service and/or the equipment and/or other resources used and/or the benefits provided in or as part of the CloudCover Service. VirtualDCS shall not be required to notify the Customer of changes to the equipment or resources used that are routine, arise through remedial maintenance, involve standard upgrades to equipment, software or services or are otherwise not material, unless there is an significant impact in regards to the contracted service and/or performance of the service.   In the event of any notification of a change of equipment or resources or any alteration to the CloudCover Service and/or to the terms and conditions of this Agreement that would materially and adversely affect the Customer's use of the CloudCover Service for disaster recovery purposes, the Customer shall be entitled at any time within 15 (fifteen) days after the date of virtualDCS's notice to elect to terminate this Agreement with immediate effect, any such termination being within 60 days or mutually agreeable timeframe, and without liability to virtualDCS but not otherwise affecting the parties´ then accrued rights and obligations. In the event that the Customer does not terminate this Agreement then any change notified to it by virtualDCS under this clause 4.8 shall take effect following expiry of 30 (thirty) days following notification in accordance with this clause.

4.3   In the circumstances of this Agreement, which deals necessarily with matters of disaster recovery in relation to Protected Systems generally under the Customer's control and arising in the context of Disasters, which are circumstances which are by their very nature unforeseen, the Customer agrees with virtualDCS that the following provisions are reasonable:

4.3.1   virtualDCS will use reasonable endeavours to provide the CloudCover Service in accordance with the Service Level applicable to it, and will use reasonable skill and care in the provision of the CloudCover Service generally. However the Customer acknowledges that the CloudCover Services cannot be provided fault free and that virtualDCS cannot warrant error free or uninterrupted use of the CloudCover Services;

4.3.2   virtualDCS will use reasonable endeavours to provide the CloudCover Service for use by the Customer from the Commencement Date unless otherwise specifically agreed in writing or unless it is unable to do so as a result of a failure by the Customer to fulfil their obligations under this Agreement or by any delay caused by any third party including but not limited to network service providers;

4.3.3   virtualDCS do not guarantee the availability of any part of the CloudCover Service as contractually agreed and the Customer acknowledges that virtualDCS may be dependent on third parties to provide such service including but not limited to network service providers, data centres, software and hardware manufacturers in order to provide the CloudCover Service;

4.3.4   virtualDCS undertakes to take reasonable measures to maintain in good working order all computer hardware and software that it uses in the supply of the CloudCover Services but virtualDCS does not represent or make any commitment that the operation of any such hardware or software shall be uninterrupted or error-free;

4.3.5   this Agreement will not prevent virtualDCS from entering into any similar agreement(s) with one or more third parties;

4.3.6   virtualDCS shall be entitled to reject any unsuitable media and shall have no responsibility or legal liability whatsoever for any of the things in clause 6 (or in the General Terms) for which the Customer has agreed that it alone has responsibility.

5.   Service Desk

5.1.1   A Service Desk shall be provided to act as a single point of contact to handle all requests for support in line with the Service Level.

5.1.2   The Customer may report Incidents either by telephone (during Service Desk Hours) to the Service Desk or via email.

5.1.3   VirtualDCS shall log the initial details and shall determine the priority level of the Incident and provide the Customer with a unique reference number. Severity level 1 incidents must be logged by telephone. VirtualDCS shall utilise the following definitions for calculating the priority of an incident: -

Severity Code	Description
1	Critical
2	High
3	Medium
4	Low
5	Planning

Severity Definitions are as follows:

Level 1 - Critical - The business unit or subunit is unable to operate, and there is a problem with Recovery (Response Immediate 24x7 365)

Level 2 - High – There is a problem with backups to the platform (Response 2 Hours during Service Desk Hours)

Level 3 - Medium - There is a problem with configuration or administration of the platform. (Response 8 Hours during Service Desk Hours)

Level 4 - Low– Issues relating to Test recoveries (Response 24 hours during Service Desk Hours)

Level 5 - Planning (Response 48 Hours during Service Desk Hours)

5.1.4   All calls shall be handled by the Service Desk who shall endeavour to resolve the Incident (by way of advice/guidance over the telephone) within 15 minutes consultation. If a resolution is not available or cannot be resolved by the Service Desk then the Incident shall be escalated or assigned to an appropriate resource.

5.1.5   Progress of the Incident shall be monitored by the Service Desk in accordance with virtualDCS's standard Call Escalation Procedures.

6.   Customer's obligations

6.1   While using the CloudCover Service, the Customer will, and will ensure that all relevant personnel and contractors of the Customer will, comply with virtualDCS's guidelines, policies and procedures relating to the CloudCover Service or any part or parts of the same.

6.2   The Customer will:

6.2.1   use the CloudCover Service at all times in a proper, professional and responsible manner and by properly trained and skilled personnel; and

6.2.2   take good care of any hardware or software equipment or resources offered or supplied to it by virtualDCS as part of the CloudCover Service or in connection with the CloudCover Service at all times while using the CloudCover Service and at the end of use return any and all such items to virtualDCS in the same condition they were in before the Customer's use of the CloudCover Service commenced, excepting only reasonable operational wear and tear. Without prejudice to any other rights of virtualDCS, the Customer will within thirty days pay any invoice from virtualDCS in respect of restoration to such condition. Any hardware or software provided by virtualDCS as part of or in connection with the CloudCover Service unless purchased by the Customer will remain the property of virtualDCS, and will be returned following any such termination of this Agreement. Any such hardware or software provided shall only be used by or on behalf of the Customer for the purpose of the CloudCover Service.

6.3   The Customer alone is responsible in relation to its use of the CloudCover Services for:

6.3.1   the security, proper configuration, management, organisation, functionality, compliance with legal requirements and good practice and all other attributes of the Protected Systems;

6.3.2   the adequacy, accuracy and security of all storage media and data it processes, generates and/or uses;

6.3.3   all software and other proprietary materials that do not form part of the supply by virtualDCS of the CloudCover Service (including ensuring that they are appropriately licensed);

6.3.4   the supply, operation, control and support of all other resources not included within the CloudCover Service;

6.3.5   risk of loss of or damage to any such data, storage media, software, proprietary materials or other resources in any way in connection with the CloudCover Service;

6.3.6   all necessary security arrangements appropriate to its use of the CloudCover Service including without limitation passwords, pass codes, audit controls, the creation of backup files and operating methods and procedures; and

6.3.7   all results it obtains from the CloudCover Service.

6.4   It is the Customer's responsibility to maintain adequate copies (or provide original versions) of such software and backup data as is necessary to ensure that the Software may be restored in the event of corruption or other similar loss howsoever occasioned. The Customer will indemnify virtualDCS against any and all loss, damage, cost or expense suffered or incurred by virtualDCS whether directly or indirectly as a result of any claim by a third party relating to virtualDCS's use of the Software (including any claim relating to any Intellectual Property Rights) in relation to provision of the CloudCover Service.

6.5   The Customer will use Test Recoveries to ensure their recovery procedures are adequate.

6.6   The Customer will be responsible for ensuring any network connectivity not managed by virtualDCS is functioning correctly so as to not inhibit or impede Testing and/or the CloudCover Service.

6.7   Before any work is undertaken of any kind and/or any CloudCover Service is provided by virtualDCS it is the Customer's responsibility to ensure that any Protected System has been rebooted since the last significant change (including but not limited to software installation, upgrades, and patches).

Schedule Two - Service Level Agreement

1.0   *DEFINITIONS*

CloudCover Services	*Means the Backup and Recovery service.*
Scheduled Downtime	*scheduled maintenance of equipment or software (including operating systems patches and updates) where no less than two (2) days notice has been given to the Customer.*
Emergency Maintenance	*Emergency maintenance i.e. unscheduled maintenance necessitated by unforeseen circumstances (including (without limitation) software failure).*
Service Hours	*Means 24hours per day, seven days per week including all UK and Statutory Bank Holidays.*
Normal Working Hours	*Means Monday to Friday 9:00 to 5:30 Excluding Bank Holidays.*

2.   SERVICE LEVEL DEFINITION

2.1   virtualDCS shall ensure that the CloudCover Services will be available during the Service Hours in accordance with this Agreement.

2.2   The Service Desk shall be available for logging calls during the Service Hours,

2.3   With the exception of Severity 1 calls which will be dealt with during the Service Hours, other calls will be dealt with during Normal Working Hours,

2.4   Measurement of service levels will be based on the ability of the Service to be accessed by the customer during the Service Hours subject to any Scheduled Downtime or Service Level Exclusions as detailed below.

6.7.1   .

3.   SCHEDULED DOWNTIME

3.1   virtualDCS shall notify the customer in advance, usually no less than one week and in any event no less than 48 hours, by email of any additional Scheduled Downtime. By default, our customer facing CloudConnect servers are updated and possibly restarted monthly on the 3rd Monday of each month, starting at 5:30PM.

4.   SERVICE AVAILABILITY

4.1   The following equation will be used to calculate Service Availability. References to hours are to the number of hours (rounded to the nearest hour) in the applicable Monthly Review Period Based on a 30 day Month: ((Total hours - Total hours Unavailable)/Total hours) x 100), subject to any Scheduled Downtime or Service Level Exclusions.

4.2   Service Availability is the customer ability to use the CloudCover Backup Service, The Service is "available" when the external monitors connected via the Internet show that Veeam Service Portal is available, and that one or more customers are current conducting backups.

Service Availability during Monthly Review Period	Service Credits as % of Monthly Rental Charge
<99.99%-99.8%	5%
99.79%-99.5%	10%
99.49%-99.0%	20%
98.9%-98.0%	30%
<98%	40%

5   CALCULATION OF SERVICE CREDITS

5.1   Where a Monthly Review Period incorporates part of a month, any service credit will apply to a pro-rated monthly Rental Charge.

5.2   Service credits will be calculated monthly, aggregated and credited to the Customer on a quarterly basis.

5.3   If a Service is cancelled during a Monthly Review Period, no service credit will be payable in respect of that service for that Monthly Review Period.

5.4   The Customer must claim any service credit due to a failure to meet the Service Levels, in writing, within twenty one (21) Business Days of the date at which the Customer could reasonably be expected to become aware of such failure, otherwise no service credits shall be payable. The Customer shall not be entitled to any service credits in respect of a claim unless and until virtualDCS has received notice of

the claim in writing in accordance with the above. Should virtualDCS require additional information from the Customer, the Customer shall assist, and shall not be entitled to any service credits until virtualDCS has received all the information it has reasonably requested.

5.5   Service credits relate to the part of the service that has failed not the whole service.

5.6   Reports above those available through the service can be made available on request with 48 hours notice.

6   SERVICE LEVEL EXCLUSIONS

6.1   The Service shall not be deemed unavailable in the event of any failure caused by the following:

(i) communication links and network infrastructure of the customer (including Internet connections);

(ii) (removed);

(iii) failure by customer to meet any of its obligations under the Agreement;

(iv) Scheduled Maintenance where no less than two (2) days notice has been given to the Customer; and

(v) emergency maintenance i.e. unscheduled maintenance necessitated by unforeseen circumstances (including (without limitation) software failure) provided that such Emergency Maintenance continues for a period of less than 2 hours.