

END USER MICROSOFT LICENSING GUIDE



CONTENTS

| CONTENTS | 2 |
|--|----|
| ACRONYMS | 3 |
| DIGITAL SENSE SPLA LICENSING | 4 |
| PUBLIC CLOUD | 5 |
| Operating Systems | 5 |
| Remote Desktop Services SAL | 5 |
| SQL Server | 6 |
| BYOL - Public Cloud | 7 |
| PRIVATE CLOUD & DEDICATED COMPUTE | 8 |
| BYOL – Private Cloud & Dedicated Compute | 8 |
| Customer Eligibility for BYOL | 8 |
| Licensing Options - Private Cloud | 9 |
| VIRTUAL DESKTOP INFRASTRUCTURE | 10 |
| Shared or Dedicated DaaS | 10 |
| BYOL - Virtual Desktop Infrastructure | 10 |
| PRODUCT CATALOGUE | 11 |
| FREQUENTLY ASKED QUESTIONS | 12 |
| Windows Server 2012/2016 | 12 |
| Windows 7, 8, 10 etc | 12 |
| SQL Server | 12 |
| Office | 13 |
| Other | 13 |
| Helpful Links | 13 |
| END USER LICENSE TERMS | 14 |

This document is purely a guide for the reader's convenience and the reader is not entitled to rely on its descriptions and it does not constitute legal advice.

ACRONYMS

| Term | | Definition |
|------|------|--------------------------------------|
| | BYOL | Bring Your Own License |
| | BYOD | Bring Your Own Device |
| | CAL | Client Access License |
| | DaaS | Desktop as a Service |
| | DS | Digital Sense |
| | IaaS | Infrastructure as a Service |
| | LM | License Mobility |
| | OS | Operating System |
| | OSE | Operating System Environment |
| | RDS | Remote Desktop Services |
| | SA | Software Assurance |
| | SAL | Subscriber Access License |
| | SPLA | Service Provider Licensing Agreement |
| | SPUR | Service Provider Use Rights |
| | VDI | Virtual Desktop Infrastructure |
| | VL | Volume Licensing |
| | VM | Virtual Machine |
| | | |



DIGITAL SENSE SPLA LICENSING

In 2018, most organisations are taking advantage of cloud services to manage some or all of their IT and software needs via 'as-a-Service' offerings. Digital Sense hosts the hardware, software, servers, storage, and associated infrastructure to allow customers to consume resources on demand. Utilising next-generation technology, Digital Sense can configure virtual workloads to suit a specific requirement and budget to ensure flexibility within the solution.

Digital Sense leverages its Microsoft Service Provider License Agreement (SPLA) to provide their customers with Windows Servers and applications on a monthly, consumption-based lease. Customers have numerous options to license their virtual workloads across a Public, Private or Hybrid Cloud environment.

For all enquiries about licenses, accounts, sales, and billing, please contact us via the below details:



Sales, Licensing & Accounts Enquiries: sales@digitalsense.com.au



Phone <u>1300 799 908</u> from Australia, or <u>+61 7 3378 1999</u> from overseas



General & Technical* Enquiries: support@digitalsense.com.au



Billing Enquiries: billing@digitalsense.com.au



^{*}Only authorised contacts can request technical support.



PUBLIC CLOUD

Operating Systems

The Digital Sense Public Cloud allows its customers to access enterprise-grade technology and virtualisation services through a cost-efficient, software-defined, and rapidly scalable platform. Digital Sense can host customer workloads in one or many of their Australian geo-dispersed cloud service centres, ensuring high availability and redundancy of critical workloads.

Through the Digital Sense Self Service Portal, customers can deploy pre-licensed Windows 2012, Windows 2012 R2 and Windows 2016 Virtual Machines straight from **Digital Sense's Public ISO Catalogue**. Unlimited Windows Server CAL's are included for each Windows OS license. The following Windows Guest OS systems are supported (both 32-bit & 64-bit versions are supported unless stated otherwise):

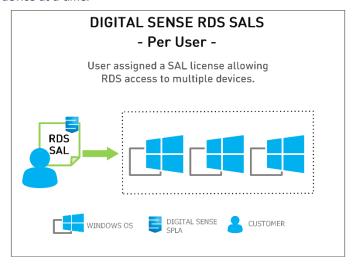
- Microsoft Windows Server 2016 64-bit
- Microsoft Windows Server 2012 R2 64-bit
- Microsoft Windows Server 2012 64-bit
- Microsoft Windows Server 2008 R2 64-bit
- Microsoft Windows Server 2008
- Microsoft Windows Server 2003
- Microsoft Windows Small Business Server 32-bit
- Microsoft Windows Vista
- Microsoft Windows XP Professional



In accordance with Microsoft's product terms, Digital Sense must restrict customers from bringing their Windows Service licenses into the multi-tenanted platform. This restriction includes any Windows client licenses such as Windows 7, 8 or 10.

Remote Desktop Services SAL

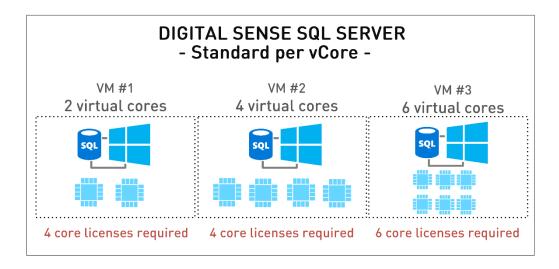
Remote Desktop Services Subscriber Access Licenses (RDS SAL) are required for users accessing the hosted desktops or virtual machines acting as Terminal Servers. Customers with Software Assurance (SA) on their **RDS user CALs** may alternatively use these licenses. For each user accessing a Windows Server, customers must purchase an RDS SAL. **Each SAL is valid for any number of Windows Servers** provisioned, meaning the customer does not incur any additional incremental licensing fees. Each SAL allows the licensed user to access the software from one device at a time.





SQL Server

In the Public Cloud, customers can license individual virtual machines for the SQL Server 2017 Standard Edition. Customers must assign a Core license for each virtual core in the VM, with a minimum of four licenses required for each VM. They can run **any number of SQL software instances** inside the licensed VM. Note: Per core licenses against physical resources are not available in a Public Cloud configuration.



Customers can also license their SQL workloads using SALs (SQL Server 2017 Standard). These licenses are only available as user SALs and are required even for indirect access the SQL Server. Once a VM is licensed using SALs, no further licensing requirements (e.g. Core licenses) are required.

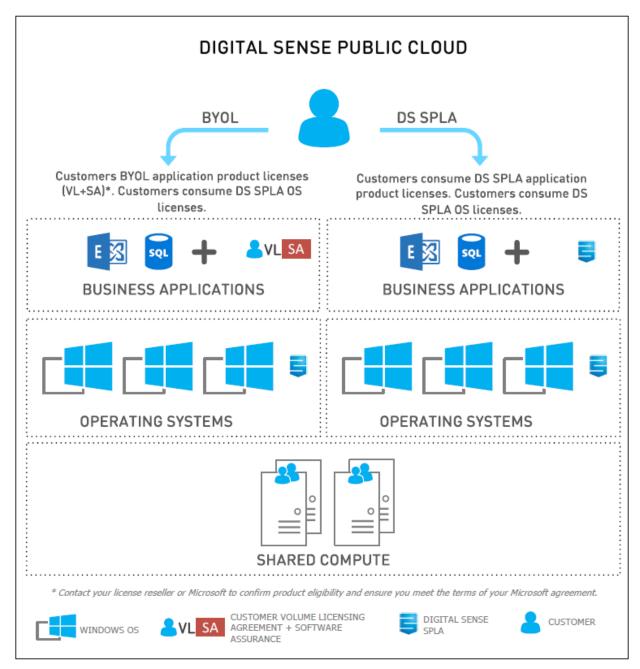
| SQL Version | License Model | Public Cloud |
|----------------|---|--------------|
| SQL Standard | Per virtual core in the VM (minimum of 4 cores) | ✓ |
| SQL Standard | Per SAL (including users with indirect access to SQL) | ✓ |
| SQL Standard | Per physical core (minimum of 4 cores per socket) | 0 |
| SQL Enterprise | Per physical core (minimum of 4 cores per socket) | 0 |

For an **active-active failover** configuration, customers must license both VMs applying a 1:1 ratio. For a **passive failover** configuration, customers do not need to license the failover VM. To be classified as passive, the secondary VM, when operating in passive mode, must not be running active workloads, serving any SQL data to clients, and performing any backups, etc.



BYOL - Public Cloud

Qualified customers can bring their Microsoft Application licenses if they have License Mobility and the product is eligible according to Microsoft's terms and conditions. Customers must use a supported DS SPLA operating system for all their Windows workloads if hosted in the Public Cloud. For applications, eligible customers may use products from both their Volume Licensing agreement and DS SPLA as long as they are not within the same product family.



Refer to the **Product Catalogue** for environment specific product availability.



PRIVATE CLOUD & DEDICATED COMPUTE

The Digital Sense **Private Cloud** allows customers to access compute that is **dedicated** for their virtual operating system environments. In a Private Cloud, customers can license their Windows OS workloads via two DS SPLA licensing models:

- Per Windows Server VM
 - o Recommended for low-density Windows environments
- Unlimited Windows Server VMs per Dedicated Compute Host
 - Recommended for high-density Windows environments

Both per core (Windows Server 2016) or per socket (Windows Server 2012) licensing models are available.

BYOL - Private Cloud & Dedicated Compute

In a Digital Sense **Private Cloud** environment, each customer's physical compute is dedicated to their virtual workloads. Customers can bring their licenses if they are eligible in accordance with their Microsoft agreement. The customer can bring their licenses and use Digital Sense SPLA products in the same virtual deployment. If the customers have already purchased Microsoft Licenses, this **flexibility** enables them to maintain existing Licensing agreements, and, if required, allows them to transition existing licensing agreements to Digital Sense's SPLA, **reducing initial cloud migration costs**.

e.g. Customer owned Office Volume Licenses can run on a Digital Sense SPLA Windows Server, RDS etc. in the dedicated environment.

Customers using both their licenses and Digital Sense SPLA licenses cannot bring licenses that belong to the same product family.

i.e. If the end-customer is bringing Office licenses through their Volume Licensing agreement, they are responsible for providing all Office licenses in that environment (e.g. it can't be 50 Office VLs and 10 Office SPLA SALs).

*The authoritative source for determining customer eligibility can be found in the **Microsoft Product Terms**, or by contacting your licensing reseller or Microsoft contact.

Customer Eligibility for BYOL

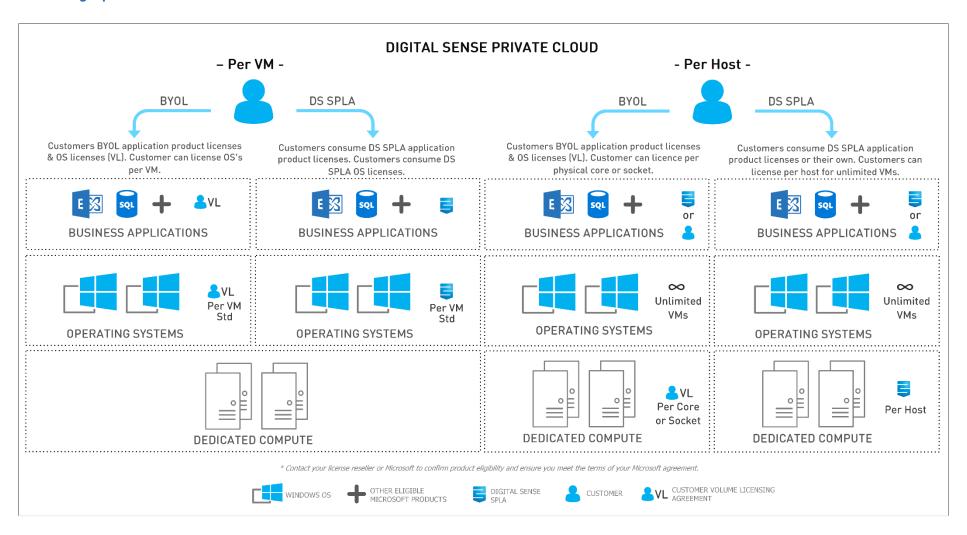
In order for a customer to **BYOL** they must have an eligible volume licensing agreement with Microsoft. Eligible Volume Licensing programs include the Enterprise Agreement, Enterprise Subscription Agreement, and Microsoft Open Value Agreement (where Software Assurance is included), and other Microsoft Volume Licensing programs where Software Assurance is an option (such as Microsoft Open License or Select Plus).

It is **the customer's responsibility** to ensure they meet the terms outlined in their Microsoft Agreement. All customers using License Mobility through Software Assurance to BYOL must satisfy Microsoft requirements by completing a verification process. Please contact your licensing reseller, Microsoft contact, or Digital Sense Sales to begin the verification process.

Digital Sense is a Microsoft Authorised Mobility Partner.



Licensing Options - Private Cloud





VIRTUAL DESKTOP INFRASTRUCTURE

Shared or Dedicated DaaS

The Digital Sense Desktop as a Service provides customers with either a shared or dedicated virtual desktop environment, ideal for mobile and BYOD organisations. In a shared desktop environment, customer seats are deployed across **multi-tenanted hosts in a clustered architecture**. In a shared environment, customers use Digital Sense licensing for the desktop operating system, providing server versions of the operating system, simulating the look and feel of **Windows 7** and **Windows 10**. In a shared DaaS environment, customers are not able to bring their own operating system license.

| Desktop OS GUI | OS Provided | DaaS Environment | Licensing Model |
|----------------|---------------------------|------------------|---|
| Windows 7 | Windows Server 2012 R2 | Shared | Provided by Digital Sense and included in monthly service fee |
| Windows 10 | Windows Server 2016 | Shared | Provided by Digital Sense and included in monthly service fee |

Digital Sense will supply the licensing using a Remote Desktop Services Client Access License (RDS SAL). In this scenario, Digital Sense provides all licensing as part of the monthly desktop service.

Licensing for DaaS environments is dictated by Microsoft. For Windows client operating systems, two licensing models drive the architecture and configuration of the environment. This licensing model determines if a **shared** or **dedicated** DaaS environment is required.

In a dedicated desktop environment, the customer uses dedicated compute hosts physically isolated from other DaaS workloads. This **dedicated** architecture allows customers to **bring their own** Windows Client licenses.

BYOL - Virtual Desktop Infrastructure

| Desktop OS GUI | OS Provided | DaaS Environment | Licensing Model |
|----------------|-------------|------------------|-------------------|
| Windows 7 | Windows 7 | Dedicated | Customer Provided |
| Windows 8 | Windows 8 | Dedicated | Customer Provided |
| Windows 10 | Windows 10 | Dedicated | Customer Provided |

If a customer owns licenses for a Microsoft Windows Desktop Operating System, these licenses can be used in a 'bring your own license' (BYOL) arrangement and consumed in a dedicated host environment. For DaaS BYOL, customers must use a Windows Desktop Operating System license with active **Software Assurance** or Windows **Virtual Desktop Access** (VDA) license.

Digital Sense can provide a Server Desktop environment that simulates either a Windows 7 or Windows 10 environment for both a shared or dedicated DaaS environment.

Contact the Digital Sense **Sales** team for a free **DaaS** consultation:



Sales, Licensing & Accounts Enquiries: sales@digitalsense.com.au



Call us: 1300 799 908



PRODUCT CATALOGUE

| Product | Unit of Measure | Public | Dedicated |
|------------------------------------|---------------------|--------|-----------|
| Windows Server 2016 | Per OS | ✓ | ✓ |
| Windows Server 2016 | Per Core Per Host | 0 | ✓ |
| Windows Server 2012 | Per Socket Per Host | 0 | ✓ |
| SQL Server Enterprise | Per Virtual Core | ✓ | ✓ |
| SQL Server Enterprise | Per Physical Core | 0 | ✓ |
| SQL Server Standard SAL | Per SAL | ✓ | ✓ |
| Remote Desktop SAL | Per SAL | ✓ | ✓ |
| SharePoint Server Standard Edition | Per SAL | ✓ | ✓ |
| Exchange Standard SAL | Per SAL | ✓ | ✓ |
| Office Professional Plus SAL | Per SAL | ✓ | ✓ |
| Office Standard SAL | Per SAL | ✓ | ✓ |
| Visio Professional Edition SAL | Per SAL | ✓ | ✓ |
| Visio Standard Edition SAL | Per SAL | ✓ | ✓ |
| Project Standard Edition SAL | Per SAL | ✓ | ✓ |
| | | | |

If you require any Microsoft product not listed above, please contact <u>sales@digitalsense.com.au</u> to obtain monthly pricing and determine availability.



FREQUENTLY ASKED QUESTIONS

Windows Server 2012/2016

Can customers lease Windows Server 2012/2016 from Digital Sense?

Yes, customers can lease Windows Server licenses from Digital Sense on a monthly basis. Each license key is valid for one VM or vOSE. The license is owned by Digital Sense, and customers must not distribute, duplicate or remove the licenses from the Digital Sense environment. The license must comply with the conditions outlined in the SPUR document.

Do customers need to purchase Windows CALs in addition to Windows Server OS's?

Digital Sense includes unlimited Windows CALs with the Windows Server 2012/2016 per VM license fee.

Digital Sense does not include Remote Desktop SALs with this license. Customers must request Remote Desktop SAL's for each user required.

Do customers need to have an existing Microsoft Agreement to consume DS SPLA products?

No, the customer is not required to pay for Software Assurance or have an existing Microsoft agreement to use Digital Sense's SPLA products.

Can the customer bring their own Windows Server licenses and use them in the Digital Sense Public Cloud?

No, customers must use Digital Sense SPLA licenses for all Windows VMs.

Windows Server products do not have License Mobility through Software Assurance. The customer cannot bring their Windows Server licenses to the Digital Sense multi-tenanted environment.

Microsoft license Windows Server against the physical resources, not virtual configuration. As such, only customers using the Dedicated Compute offering can manage and track their BYOL against physical hosts hardware configuration.

Windows 7, 8, 10 etc

Can customers purchase Windows 7, 8 or 10 Operating Systems from Digital Sense?

No. Digital Sense does not provide any Windows 7, 8 or 10 etc (Desktop) operating system licenses on the multi-tenanted or dedicated environments.

Can customers bring their own Windows Client licenses for use in Digital Sense's environment?

Yes, if the customer uses the Dedicated Compute offering, they can bring their own Windows 7, 8, 10 etc. licenses. It is the customer's responsibility to ensure they meet Microsoft's T&Cs as they may require Software Assurance or Virtual Desktop Access (VDA).

In a multi-tenanted (shared) environment, the customer may not bring their own Windows 7, 8, 10 etc. operating system licenses.

Can customers use License Mobility with Windows 7, 8, or 10 etc.?

No, as specified in the Microsoft Product Terms, License Mobility does not apply to Windows Client, Windows Server, or Microsoft Office.

If the customer chooses to use a Dedicated Compute offering, then they can bring their licenses for Windows Client, Windows Server, and Microsoft Office without needing License Mobility.

SQL Server

Can customers buy Microsoft SQL Server licenses from Digital Sense?

Yes, customers can use Digital Sense SPLA SQL Licenses in both the Public Cloud and Dedicated Compute environments.

The available version for Public Cloud customers is Standard Edition (per virtual core or per SAL).

The available versions for Dedicated Compute customers are Standard Edition (SAL or virtual cores) and Enterprise Edition (physical cores).

Can customers license their SQL Standard Server with SALs?

Yes. Standard user SALs are available and required for indirect access to the SQL Server.

In some cases, licensing per SAL is not the most cost-friendly option. Digital Sense also offers per VM licensing at a virtual resource level. Customers can assign a core license for each virtual core in the VM (minimum of four licenses required). Customers can run any number of SQL instances inside the licensed VM.



For Dedicated Compute environments, customers can license per physical core (minimum of four licenses required). If licensing per core, the customer may run any number of SQL instances on the licensed physical host. In a DRS enabled cluster, all hosts a SQL VM may *touch* within a reporting month must be licensed.

Can customers bring their own SQL Server Licenses?

Yes, customers can bring their SQL Server licenses if they are consuming a Dedicated Compute offering and as long as they adhere to the conditions of their Microsoft agreement.

Customers using a Dedicated Compute offering are allowed to use both a per-core or per-socket SQL Server licensing model without the need for License Mobility through Software Assurance.

Office

Can customers BYOL Office Licenses into the Public Cloud?

No. Microsoft Office and other Microsoft desktop applications are **not** eligible to be hosted in a multitenanted environment via LM through SA. Digital Sense can host these licenses provided the underlying physical server hardware is dedicated to the specific end-customer.

Can customers BYOL Office Licenses into their Private Cloud?

Yes, only customers using a dedicated compute offering can bring their licenses without the need for license mobility.

Do customers need an RDS SAL for each Office user?

Yes. All customers accessing an office product remotely (even indirectly) require an RDS SAL.

Other

How do customers report changes in their usage?

Customers must report changes in their usage on a monthly basis before the 4th of each month. Digital Sense bills each license in arrears. It is the customer's responsibility to ensure all reported usage is accurate and in accordance with the *End User License Terms*.

Can customers use BYOL with any cloud provider?

Customers can exercise License Mobility through Software Assurance rights only with Authorized Mobility Partners. <u>Digital Sense is an Authorized</u> <u>Mobility Partner.</u>

Helpful Links

View Microsoft Service Provider Use Rights - conditions that apply to a customer's use of the products licensed

http://www.microsoftvolumelicensing.com/DocumentSearch.aspx?Mode=3&DocumentTypeId=2

Volume Licensing Agreement License Mobility — find out more about License Mobility to BYOL https://www.microsoft.com/en-us/licensing/licensing-programs/software-assurance-license-mobility.aspx



END USER LICENSE TERMS

Terms & Conditions Regarding Use Of Microsoft Software

This document governs the use of Microsoft software, which may include associated software, media, printed materials, and "online" or electronic documentation (individually and collectively, "Products") provided by Digital Sense Hosting Pty Ltd (hereinafter referred to as "Customer"). Customer does not own the Products and the use thereof is subject to certain rights and limitations of which Customer must inform you.

Your right to use the Products is subject to the terms of your agreement with Customer, and to your understanding of, compliance with, and consent to the following terms and conditions, which Customer does not have authority to vary, alter, or amend.

1. DEFINITIONS.

"Client Software" means software that is installed on a Device that allows the Device to access or utilize the Products.

"Device" means each of a computer, workstation, terminal, handheld PC, pager, telephone, personal digital assistant, "smart phone," server or any other hardware where software can be installed that would allow End User to interact with the Product.

"End User" means an individual or legal entity that obtains Software Services directly from Customer, or indirectly through a Software Services Reseller.

"Redistribution Software" means the software described in Paragraph 4 ("Use of Redistribution Software") below.

"Software Services" means services that Customer provides to you that make available, display, run, access, or otherwise interact, directly or indirectly, with the Products. Customer must provide these services from data center(s) through the Internet, a telephone network or a private network, on a rental, subscription or services basis, whether or not Customer receives a fee. Software Services exclude any services involving installation of a Product directly on any End User device to permit an End User to interact with the Product.

2. OWNERSHIP OF PRODUCTS.

The Products are licensed to Customer from an affiliate of the Microsoft Corporation (collectively "Microsoft"). Microsoft Products are protected by copyright and other intellectual property rights. Products and other Product elements including but not limited to any images, photographs, animations, video, audio, music, text and "applets" incorporated into the Products are owned by Microsoft or its suppliers. You may not remove, modify or obscure any copyright trademark or other proprietary rights notices that are contained in or on the Products. The Products are protected by copyright laws and international copyright treaties, as well as other intellectual property laws and treaties. Your

possession, access, or use of the Products does not transfer any ownership of the Products or any intellectual property rights to you.

3. USE OF CLIENT SOFTWARE.

You may use the Client Software installed on your Devices only in accordance with your agreement with Customer and the terms under this document, and only in connection with the Software Services, provided to you by Customer. The terms of this document permanently and irrevocably supersede the terms of any Microsoft End User License Agreement that may be presented in electronic form during the installation and/or use of the Client Software.

4. USE OF REDISTRIBUTION SOFTWARE.

In connection with the Software Services provided to you by Customer, you may have access to certain "sample," "redistributable" and/or software development software code and tools (individually and collectively "Redistribution Software"). You may use, copy and/or install the Redistribution Software only in accordance with the terns of your agreement with Customer and this document and/or your agreement with Customer.

5. COPIES.

You may not make any copies of the Products; provided, however, that you may (a) make one copy of Client Software on your Device as expressly authorized by Customer; and (b) you may make copies of certain Redistribution Software in accordance with Paragraph 4 (Use of Redistribution Software). You must erase or destroy all such Client Software and/or Redistribution Software upon termination or cancellation of your agreement with Customer, upon notice from Customer or upon transfer of your Device to another person or entity, whichever occurs first. You may not copy any printed materials accompanying the Products.

6. LIMITATIONS ON REVERSE ENGINEERING, DECOMPILATION AND DISASSEMBLY. You may not reverse engineer, decompile, or disassemble the Products, except and only **Cont...**



to the extent that applicable law, notwithstanding this limitation, expressly permits such activity.

7. NO RENTAL.

You may not rent, lease, lend, pledge, or directly or indirectly transfer or distribute the Products to any third party, and may not permit any third party to have access to and/or use the functionality of the Products except for the sole purpose of accessing the functionality of the Products in the form of Software Services in accordance with the terms of this agreement and any agreement between you and Customer.

8. TERMINATION.

Without prejudice to any other rights, Customer may terminate your rights to use the Products if you fail to comply with these terms and conditions. In the event of termination or cancellation of your agreement with Customer or Customer's agreement with Microsoft under which the Products are licensed, you must stop using and/or accessing the Products, and destroy all copies of the Products and all of their component parts within thirty (30) days of the termination of your agreement with Customer.

9. NO WARRANTIES, LIABILITIES OR REMEDIES BY MICROSOFT.

Microsoft disclaims, to the extent permitted by applicable law, all warranties and liability for damages by Microsoft or its suppliers for any damages and remedies whether direct, indirect or consequential, arising from the Software Services. Any warranties and liabilities are provided solely by Customer and not by Microsoft, its affiliates or subsidiaries.

10. PRODUCT SUPPORT.

Any support for the Software Services is provided to you by Customer or a third party on Customer's behalf and is not provided by Microsoft, its suppliers, affiliates or subsidiaries.

11. NOT FAULT TOLERANT.

The Products are not fault-tolerant and are not guaranteed to be error free or to operate uninterrupted. You must not use the Products in any application or situation where the Product(s) failure could lead to death or serious bodily injury of any person, or to severe physical or environmental damage ("High Risk Use").

12. EXPORT RESTRICTIONS.

The Products are subject to U.S. export jurisdiction. Customer must comply with all applicable laws including the U.S. Export Administration Regulations, the International Traffic in Arms Regulations, as well as end-user, end-use and destination restrictions issued by U.S. and other governments. For additional information, see http://www.microsoft.com/exporting/.

13. LIABILITY FOR BREACH.

In addition to any liability you may have to Customer, you agree that you will also be legally responsible directly to Microsoft for any breach of these terms and conditions.

14. INFORMATION DISCLOSURE.

You must permit Customer to disclose any information requested by Microsoft under the Customer's Agreement. Microsoft will be an intended third party beneficiary of your agreement with Customer, with the right to enforce provisions of your agreement.



WHEN OUR DIGITAL SPECIALISTS AND OUR HUMANISED TECHNOLOGIES ARE ENGAGED - WE CREATE LOGICAL SOLUTIONS THAT SIMPLY PERFORM.

OUR DEDICATION TO SAFETY,
PERFORMANCE, QUALITY AND RELIABILITY
CREATES CERTAINTY FOR THOSE WHO
ENGAGE WITH US.

WE ARE ALWAYS ENGAGED SO YOU CAN ALWAYS BE CERTAIN.



Brisbane Head Office

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