

Annex 1 - Software Licensing Consultation

The Software Licensing Consultation engagement is designed to provide a comprehensive overview and analysis of Customer's reporting during Customer's current and previous Service Provider License Agreement (SPLA). Octopus Cloud will provide Customer with recommendations and best practices related to software licensing for on prem and off prem licensing. The engagement is intended to help Customer analyze their licensing landscape while optimize the SPLA reporting, minimize compliance risks and understand SPLA licensing rules. The data will be gathered by Octopus Cloud SPLA Manager and needs to provide a full discovery and inventory outlining all Microsoft product deployments, usage, and entitlements. All License consulting is advisory based on certain reports and recommendations that will be delivered to Customer (as defined below).

Planning

During this stage, the goal is get introduced to the services of Customer. Octopus Cloud will gather information on SPLA licensing, IT landscape for SPLA and business organization during workshops or interview with key stakeholders. Together with Customer the scope of this Engagement will be confirmed, process and deliverables defined and resources arranged.

Data Collection

This stage is expected to cover securing a clear, shared understanding of Customer's complete SPLA server estate (physical and virtual), SPLA license management processes and practices, offerings, use of Microsoft products, data centers, and domains. The objective of this stage is to have a documented SPLA license responsibility per environment (internal, dedicated, co-located, license mobility) if part of the whole scope of the engagement before data analysis and formation of the report.

Octopus Cloud will collect the information about the SPLA infrastructure and deployed Microsoft software products from Customer's premise(s), in particular about the following data points:

- a. Request Customer to explain the hosting service offerings
- b. Ask Customer to confirm the full set of Microsoft Products offered to End Users and compare against Customer's current Product reporting (invoicing)
- c. Ask relevant questions regarding Customer's infrastructure enabling firm to effectively plan data collection from both an infrastructure and stakeholder perspective. Octopus Cloud should have a clear picture of and receive information from Customer with regard to:

- Environments
- Datacenters
- # Servers (physical and virtual per environment/customer)
- Deployment types
- Type of virtualization software in use
- Software inventory tools in use
- Operations Management software in use
- Other affiliates providing hosting services
- Microsoft Products and Versions in use and features enabled
- How servers and software are provisioned, decommissioned and tracked
- Date when the server was put into production
- How user access is managed

d. Obtain additional Support Document from Customer. This may include but not be restricted to:

- Licensing Entitlement Documentation
- Reporting
- Invoices
- License Transfers
- License mobility agreements
- Written communication from MS about special agreements
 - Any non-standard agreements or amendments that Customer believes they have agreed
 - Accepted evidence, including, but not limited to: End User Contracts, itemized Invoices, End User License Verification Forms.

If Customer cannot provide sufficient evidence, Octopus Cloud must work with Customer to get a formal declaration from End Users to confirm license responsibility matches that which is described by Customer. If full coverage is not feasible, it's Customer's decision on how to proceed. Octopus Cloud will exclude these license responsibilities from the final report but will mention the compliance issues in the Executive Summary.

If Octopus Cloud is collecting the information from Customer via questionnaire, Octopus Cloud shall review the information provided by Customer and request clarification as needed. Completeness should be further verified, and license responsibility per deployment should be determined by:

- a. Investigating Active Directory Domains and Trusts to ensure all are addressed throughout the process
- b. Establishing Datacenter to Domain mappings, Server to Datacenter mappings
- c. Establishing End User to Server Mappings
- d. Cross-referencing all Domains and Servers through multiple data sources
- e. Reviewing historical invoicing to identify End Users who may have left Customer and address gaps in technical, historical data
- f. Establishing environment structure (SPLA, Internal, Co-located, Dedicated)

g. Establishing and documenting license responsibility for each environment, noting restrictions based on the understanding of specific environment from above exercise (e.g., license responsibility lies with Customer for OS layer in a shared hosting environment).

h. For operating system environments to which Customer has no access (e.g., “black boxes”), Customer shall either ask the respective customers to grant temporary access to such environments to allow data collection, run the Octopus Cloud scanners to collect the data themselves or – with Microsoft’s prior approval – obtain written customer declarations listing Microsoft products deployed with installation dates. If unlicensed software installations are found in such environments, the disputed deployments will be presented in a separate appendix for resolution between the End User and Customer for licensing via SPLA or another appropriate VL program in advance of finalization of the engagement.

Customer shall ensure that the system administrator is present during the workshops and has administration access to the entire environment/infrastructure (both physical and virtual). Sufficient access rights need to be confirmed to Octopus Cloud prior to the workshops. During the workshops Octopus Cloud will gather information (or alternatively oversee the administrator or representative of Customer doing so) by receiving responses from representatives of Customer, by performing scans of the infrastructure with Octopus Cloud SPLA Manager, Active Directory analysis, review of system properties and information and documentation provided by Customer (log files etc.).

Scanning of Customer’s infrastructure with the scanning tool is mandatory for successful completion of the engagement. During the workshop the following information shall be collected:

Datacenters:

Description of datacenters of Customer (how many data centers and their location);

Physical Servers:

Description of all physical servers on which hosted services are provided, including the following information:

- Name of each server (names shall be changed to anonymized if linked to confidential information)
- Indication in which datacenter each server is located (if Customer has several datacenters)
- Indication of whether the server is dedicated to one customer or shared (multi-tenant)
- Deployment date for each physical server
- Number of physical processors on each physical server
- Number of physical cores on each physical server
- Description of server clusters (which servers are included in which cluster, indication if high availability/load balancing is enabled, i.e. if virtual machines on the server are configured to move among physical host servers in the cluster to optimize nodes performance)

- Description of which hypervisor types are used for virtualization

Virtual Machines:

Description of all virtual machines deployed on all physical servers where hosted services are provided, including the following information:

- Name of each virtual machine (names shall be changed to anonymized if linked to confidential information)
- Indication on which physical server each virtual machine is deployed
- Indication of the number of virtual processors / virtual cores assigned to each virtual machine and history of changes if this parameter was changed
- Indication of the date when each of the virtual machines has been deployed

- Indication if the server is dedicated to one customer or shared (multi-tenant)

Microsoft Software: description of all installations of Microsoft Software Products on all physical servers and virtual machines where hosted services are provided, including the following information:

- Product name including version
- Indication where the software product is installed: on which physical server (if deployed on the physical layer) or virtual machine (if deployed in a virtual machine)
- Date when each software product was installed
- License type: SPLA, End Users' VL license (specify if License Mobility through Software Assurance is used), MSDN, SQL as part of SAP, etc.
- If the product is licensed per SAL (Office, Skype, Exchange, SharePoint, Dynamics, SQL per SAL, etc.):
 - o Does the Partner have a policy in place to identify and control the users/devices?
 - o How many users can access the software product as of the date of the assessment?
 - o Which license types are assigned to which users (basic, enterprise, etc.)?
 - o Are there any group policies or software (e.g. AppLocker) restricting access of users to software products?
 - o Historical user/device count to identify the number of licenses needed in each month for the period of scope as defined in section "Description".
- If the software product is included into licenses for another software product (e.g. SQL for System Center)
- Other information necessary to determine license count

Non-Access to Virtual Machines:

Hosters may not retain access to all hosted environments licensed via SPLA. Octopus Cloud must work with Customer to attain the necessary information to verify compliance. Octopus Cloud must support Customer in informing End Users of their obligations to provide such information. In exceptional scenarios, Octopus Cloud may accept End User declaration or Software deployments with End User executive confirmation. Any instances where Partner cannot reasonably verify Software deployments should be documented within the Executive Summary.

End User Licensed Deployments:

Partner shall represent all hosted deployments as licensable on SPLA unless otherwise evidenced by Customer via End User Agreement or End User declaration. Customer shall be given appropriate time to secure such evidence before the report is considered final. Some Microsoft Software Hosted in a multi-tenant environment may be licensed via Microsoft License Mobility Program, all non-license mobility deployments shall be represented in the report as SPLA.

Uninstalled Software Products:

Any software uninstalled after the inspection has started (i.e., the date of the SoW) shall be recorded as “deployed” in the report. Octopus Cloud should also investigate and report in this section if Customer has been hosting Microsoft software before Customer had a valid Microsoft agreement in place to permit such hosting.

License Consulting Services will be an additional and/or sperate engagement that include the following deliverables: Historic License position and ELP report as described below.

Reports & Recommendations:

Historical License Position:

Octopus Cloud must strive to ensure the historical license position includes usage (servers, users, software) which existed historically but does not exist in the current baseline license position are identified and accurately reflected in the ELP. Octopus Cloud must document how the historical license position was calculated and included within the ELP. The following data points should be used to calculate historical usage.

- User Creation Date
- Software Installation Date
- First Invoice Date
- End-user Relationship Start Date
 - Customer Contract Start Date
 - Customer Service Start Date
 - SPLA Agreement Start Date
- Server Creation Date
 - Active Directory
 - Where Enabled use
 - When Created to Current Date
 - Where Disabled use
 - When Created to When Changed
 - VMware
 - Invoicing Records

The Report shall have a particular focus on recommendations for Customer, for example:

- a. Report Windows Server Datacenter instead of Windows Server Standard due to a large number of virtual machines deployed on a host server or high availability enabled to reduce license costs.
- b. Report SQL per SAL instead of SQL per core if the number of users is small and the Partner can control the users accessing the software to reduce license costs.
- c. Report less expensive editions of software if less functionality is needed.
- d. Consider the implementation of SAM tools to manage reporting needs.
- e. Provide Customer with insights into actual customer usage & consumption.

- f. Provide Customer with guidance to contractual obligations and recommendations for End User contracts.
- g. Provide Customer with education on license mobility requirements.
- h. Support Customer to establish a precise and reliable practice for software and license inventory to be able to track what software is installed and what licenses need to be reported and to keep complete and accurate historical information.
- i. Cloud Roadmap Recommendations, review license goals and strategy for use of off premises or cloud licenses. Make recommendations for comparable or upgraded features and services and how to license such features. May use internal OC and external published calculators to come to support those recommendations.

The Report: The Effective License Position (ELP) spreadsheet

Upon completion of the engagement, Octopus Cloud shall first deliver the ELP Draft to Customer and ask Customer to submit any comments to the ELP Draft within 5 (five) calendar days as from the receipt of the ELP Draft, as well as provide approval of the ELP Draft. Octopus Cloud shall consider valid comments from Customer and update the ELP Draft if necessary. The Compliance Analysis data must be analyzed, reviewed and agreed upon with Customer as an accurate point-in-time reflection of Customer's then-current IT environment of hosted services in the past 12 months.

Based on the inputs and data collection, Octopus Cloud will complete the following required analysis:

- a) Reconciliation analysis between license entitlements and deployment data, including the application of license benefit and optimization rules (Upgrades, Downgrades, Promotions, etc.).
- b) Aggregation and review of data from stakeholder interviews, noting any information that was either unavailable or challenging for Customer to gather.

After 5 (five) calendar days from provisioning the Final ELP to Customer, the ELP is considered final and shall be submitted by Octopus Cloud to SPLA Reseller or Microsoft, if so requested by Customer (i.e. such report shall only be submitted upon prior written approval of Customer).

Reporting - Summary

In summary, the following report shall be delivered to Customer at the end of and to complete the Service engagement:

The ELP with the following content:

- o Executive Overview Report: a summary of project background and scope, engagement results, recommendations, and next steps.
- o Microsoft Deployment, Usage, and Entitlement Analysis Reports.
- o Financial Risk Analysis over 36 months, based on the 12 months sample data.

Licensing Query Support Ticket

The license Query Support is an ad hoc license support option that will apply if so specified in the SoW. This is a web form based tool that will provide answers to license queries based on a SLA. Pricing is based on individual ticket queries. The following deliverables will be provided

Reports

Answers to licensing queries delivered electronically to submitter within 72 hours. Answers will be dependent on mutual understanding outlined in ticket form of the question.