

Billing Guide

1. INTRODUCTION

- 1.1 This document outlines our standard billing, invoicing and payment terms with guidance therein. Unless otherwise agreed with SCC Customers, the provisions in this Billing Guide are incorporated into all Orders agreed under the SCC Master Services Agreement <https://scc.com/master-services-agreement> (the “Agreement”).
- 1.2 This Billing Guide should be interpreted in the same way as the Agreement, and capitalised terms shall have the same meaning. In this document “we” or “us” refers to the Supplier, and “you” refers to the Customer.

2. CHARGES AND EXPENSES

- 2.1 The Charges shall be as specified in the relevant Order.
- 2.2 The Charges may be subject to change in accordance with the provisions of the applicable Order.
- 2.3 Unless otherwise set out in the Order, Supplier shall invoice Customer for the Charges in accordance with the billing periods and billing frequencies set out in the Order.
- 2.4 Charges
- (a) Charges will be set out in the applicable Order, and unless stated otherwise in the applicable Order, will be identified as one of the following types of Charges:
- i. Fixed Charge – either a set amount, or a Charge payable periodically (monthly, quarterly, annually) for a fixed period, regardless of usage; typically for the provision of the post Service Commencement Date activities undertaken by SCC, and relate to Charges which are:
 - (1) Fixed for the Initial Services Term of the Order; and
 - (2) Invoiced at set frequencies throughout the term of the Order;
 - ii. Set-up Charge - the initial or one-off Charges applicable to the Service; they typically relate to the planning and implementation of all the pre-Service Commencement Date activities to be undertaken by SCC;
 - iii. Usage Based Charges – for the provision of post-Service Commencement Date activities undertaken by SCC which relate to Charges which are:
 - (1) Variable based on the level of Customer usage, also referred to as “Consumption Charges”; and/or
 - (2) Not necessarily invoiced at set frequencies.
 - iv. Cloud Charges – for Charges relating to Public Cloud or Private Cloud;
 - v. Exit Charges – Charges related to activities to be undertaken by SCC for exit assistance services and do not include any early termination charges;
 - vi. *Ad hoc* Charges – any other Charges not covered above in i. - v. The following activities are examples of circumstances where additional *Ad hoc* Charges may apply for:
 - (1) changes to the Services, including provision of any services not specifically referenced in the Customer’s Order, and introduction of new services;
 - (2) changes to the Service Description;
 - (3) changes to the Service Levels; and
 - (4) undertaking activities referenced in the Service exclusions or SLA exceptions.

The additional *Ad hoc* Charges will be agreed between both parties prior to commencement of the activities.

- 2.5 Where at the request of the Customer any work to provide the Services is done at any time which is not during the Hours of Support for that particular part of the Services, unless otherwise agreed the Customer shall pay a charge for such work calculated at SCC's then current standard hourly rate, provided such charges are advised to, and approved by, the Customer prior to such works being carried out.

2.6 **Minimum Commitments**

The Parties may agree a minimum commitment by the Customer, either for volume of resources (people, space, capacity, computing cycles, etc.) or for an amount of money over a period. If agreed, this will be recorded in an Order. The pricing of those services will reflect the value to the Parties of the volume commitment. If the Customer does not use the minimum commitment in the relevant period, the Customer will remain obligated to pay an amount equal to the minimum commitment (and shall not be entitled to carry over or take any service credit for unused portions).

- 2.7 Expenses may be charged as agreed in your Order.

3. INVOICING, BILLING PERIODS AND FREQUENCIES

- 3.1 Unless otherwise set out in the Order, Supplier shall invoice Customer for the Charges in accordance with the billing periods and billing frequencies set out in this Clause 3. Any delay to the issuance of an invoice shall not affect the Customer's obligation to pay the invoiced amount.

- 3.2 All invoices and payments under the Agreement shall be in pounds sterling (£) unless specifically agreed otherwise.

Equipment, Hardware and Licence Sales

- 3.3 One-off sales (e.g. hardware, domain names, SSL certificates, software licences) will be billed on shipment and/or set-up unless agreed otherwise in the Order.

Consultancy and Professional Services

- 3.4 Orders for projects or professional services will be charged as specified in the relevant Order or Statement of Work. If not specified, then all Charges will be invoiced in advance of delivery, on the date of the Order.

Milestone Payment Charges

- 3.5 If specified in a Statement of Work or an Order, we may agree milestones for project delivery against which there are payment milestones. Upon completion of a milestone (determined by certification of completion by the Supplier acting reasonably and properly) Customer will pay the relevant specified fees associated with completion of the milestone.

Fixed Charges

- 3.6 We will invoice Fixed Charges to you at set frequencies throughout the term of the Order.

Usage-based Charges

- 3.7 Usage-based charges will be billed in arrears and will be billable from the month following the consumption period (except as noted below or as specifically agreed otherwise). We will endeavour to bill in the following month, but if a sum is delayed for any reason, it may be applied to any later bill. It is noted that Services may be composed of both Fixed Charges (billable in advance or at the agreed set frequencies) and consumption or usage-based charges (billable in arrears).

Private and Public Cloud Infrastructure Usage

- 3.8 Variable Cloud charges are billed monthly in arrears.

- 3.9 The minimum committed amount in any minimum commitment arrangements (where an agreed volume of usage is fixed for a period as described at clause 2.6 (Minimum

Commitments) above) will be charged quarterly in advance as a Fixed Charge unless otherwise agreed. Any consumption above the committed amount will be billed as monthly usage in arrears.

Hourly Metered Usage for Cloud

- 3.10 Where Hourly Metered Usage applies, consumption is measured hourly. Changes to add or remove resources will be reflected in the hour following the change.
- 3.11 If cloud services are turned off, but not deleted, CPU and RAM charges will stop, but storage and network charges will remain payable until permission to delete is provided by the Customer.

Other Consumption Based

- 3.12 If specified in your Order, we may implement:
 - (a) A fixed term consumption model, based on historic consumption, and billed either monthly or quarterly in advance based on historic performance and then adjusted in the following invoice to reflect actual consumption;
 - (b) An advance payment for a discounted volume of consumption, at the end of which the Customer may choose to end the arrangement or agree a renewal (on similar or varied terms).

Microsoft Azure

- 3.13 Customers can request a breakdown summary of their Azure usage bill in a given month to support the invoice where the Customer procures our Cloud Consumption Service.
- 3.14 Azure Reserved Instances purchased on behalf of the Customer may be specified on the Order to be charged in full and payable at the point of order or as a monthly Fixed Charge.
- 3.15 Azure Management Fees are billed as usage, monthly in arrears, unless they form part of a wider minimum commit contract (in which case they are billed as a Fixed Charge, quarterly in advance).
- 3.16 If you wish to increase your minimum commit usage agreement for Cloud or Azure Usage Products/Services, please contact your Account Manager.

4. PAYMENT

- 4.1 All sums payable under an Order:
 - (a) are exclusive of VAT or any other applicable tax or duty which (where applicable) shall be paid by the Customer in addition to such sums and at the rate and in the manner prevailing at the relevant tax point and will become due immediately upon termination of an Order (as applicable); and
 - (b) shall be in pounds sterling (£) and paid to SCC's bank account as SCC may from time to time notify the Customer.

Payment Solutions Terms

- 4.2 For all Services where SCC spreads payments from the Customer and assigns those receivables to its finance partners to enable SCC's advance payment to its suppliers/vendors, then the Order shall incorporate the SCC Payment Solutions Terms located at <https://www.scc.com/payment-solutions-terms>. Please note this would be applicable for any Service where SCC must pay suppliers/vendors up front and customers are provided a spread payment solution not offered by SCC's supplier/vendor.

Payment Method

- 4.3 All payments to be made by the Customer under an Order will be made in full and without any set-off, restriction or condition and without any deduction or withholding for or on account of any counterclaim or any present or future taxes, levies, duties, charges, fees, deductions or withholdings of any nature, unless the Customer is required by law to make any such deduction

or withholding.

- 4.4 SCC shall be entitled to impose a credit limit on the Customer and/or require payment of a security deposit, in the event that the Customer:
- (a) suffers a material and negative change in its financial or trading condition or in its credit rating; and/or
 - (b) fails to make payment of any undisputed invoiced amounts in cleared funds within thirty (30) days of SCC's notification of non-payment.

Disputed Payments

- 4.5 In the event that the Customer reasonably disputes an invoice in good faith:
- (a) the Customer shall immediately notify SCC in writing explaining why in good faith it disputes the Charges set out on the invoice and pay the undisputed portion of such invoice in accordance with the terms of this Agreement; and
 - (b) the Parties shall meet to resolve such dispute in good faith, escalating the dispute where appropriate in accordance with the Dispute Resolution Procedure and continue to perform their respective obligations under this Agreement and the affected Order while any dispute is being resolved, unless and until such obligations are terminated by the termination or expiration of this Agreement and/or the affected Order.

5. Early Termination Charges

- 5.1 Early termination fees will be calculated and invoiced following receipt of an early termination notice from the Customer and payable on or before the termination date.