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What pricing change is Claranet making?

Claranet Limited will be implementing a price increase as a result of increases applied by Microsoft in relation to RDS licensing, which was applied to Claranet in January 2021. This price increase and change will be effective to you from 1st February 2021 and reflected in your billing going forwards. Specific details of the increase applied to your account is contained within the direct communications you would have received in relation to this price increase.

2

How can Claranet raise prices?

Clause 7.3 of the Claranet Business Master Services Agreement provides as follows:

“Claranet may alter the amount of, or the payment terms relating to the Fees at any time during the Term for the following reasons: to take account of any increase in the costs incurred by Claranet in the implementation or delivery of the Services (including any increase in the costs or charges of any third party supplier or licensor to Claranet); or to pass on any increase in data centre and/or power charges imposed by any third party supplier to Claranet; or to pass on any increase in charges imposed by any telecommunications supplier to Claranet. Claranet shall notify the Customer in writing of any such increase by providing not less than 30 days' prior written notice.”

3

Why is Claranet increasing prices?

The increase in price follows the implementation of price increases by Microsoft for RDS licenses that form part of the service we provide to you. This is a direct reflection of this increase in cost to Claranet and is being passed on directly to you with no margin added.

4

How was the price increase calculated?

Where your services include Microsoft RDS licenses, the increase applied is the same as the increase in pricing that Microsoft has applied to the cost of those licenses to Claranet.

Claranet also uses these licenses on our shared platforms. The price increase for shared platform customers has been calculated by taking the overall cost increase of the licenses used on the platform and breaking them down proportionally by the amount of resources each customer utilises.

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When will the increase come into effect?

The increase will come into effect in the next customer billing cycle on or after 1st February 2021.

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How will you be told about the price increase?

You are being notified by email, in accordance with the MSA.

7

How will the increase appear on invoices?

The price change will be blended with the existing charge in the next invoice effective from 1st February 2021.

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Do you have the right to cancel your contract in response to the price increase?

You do not have the right to cancel your contract(s), as this increase is permitted under the terms of your contract.

If you seek to cancel your contract, you will be subject to early termination charges as provided for in the Claranet Business Master Services Agreement (www.claranet.co.uk/legal).

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Will this increase happen every year?

We review our costs with our key suppliers annually but with regard to Microsoft licensing, Claranet is contractually obligated to accept Microsoft price increases and to pass these through to its customers to ensure both Claranet and our customers remain compliant.

Claranet has consistently sought to absorb price increases in recent years but given the nature of the price increases and audits since January 2019 we have changed this stance and there is a reasonable likelihood of increases in future years.

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If I have questions, to whom should I speak?

Please direct any questions regarding this increase to your account manager. You can also direct general feedback to customerfeedback@uk.clara.net.