SUPPLIER GUIDELINES

1. **OVERVIEW**

   The Supplier Guidelines contain policy and procedural requirements for Suppliers providing goods or services to Microsoft, in addition to obligations contained in any applicable agreement(s) between Microsoft and Supplier.

   Microsoft may modify the Supplier Guidelines, and modifications will be available on the Microsoft.com website (http://www.microsoft.com/mscorp/procurement/process/contracting.asp). It is the responsibility of the Supplier to comply with these Supplier Guidelines.

2. **SUPPLIER’S USE OF MICROSOFT FACILITIES AND NETWORK**

   a. Supplier will not use any Microsoft-provided facilities other than in performance of the Services without the prior written consent of Microsoft.

   b. When Supplier’s personnel require cardkey access to Microsoft facilities, an account on Microsoft’s email system, and/or any other access to any Microsoft’s networks or systems, Supplier and its personnel assigned to Microsoft will sign all applicable agreement(s) required by Microsoft.

   c. Supplier is not authorized to use, and agrees that its employees will not use, its location on Microsoft’s premises or network access to obtain information or materials or physical access other than as expressly authorized by Microsoft. Microsoft will not be responsible for loss, damage, theft, or disappearance of any personal property located on Microsoft premises belonging to Supplier or its employees or Subcontractors.

   d. **Notice to Microsoft of Significant Injuries.** If Supplier becomes aware that a “significant” injury to someone or damage to property has occurred on Microsoft premises, Supplier will notify Microsoft promptly and provide adequate details to enable Microsoft to investigate the cause. For the purposes of this provision, “significant” means injury to a person that results in hospital treatment, or damage to or loss of property with an estimated value in excess of Ten Thousand U.S. Dollars ($10,000.00 USD).

3. **MICROSOFT TRAVEL POLICY FOR SUPPLIERS**

   Supplier will comply with the Travel policy for Suppliers located at: http://www.microsoft.com/about/companyinformation/procurement/process/contracting.mspx.

4. **PRE-PLACEMENT POLICY**

   Microsoft requires that all temporary personnel agencies, suppliers, suppliers and independent contractors conduct pre-placement background checks on all their staff who will perform services or projects in the United States that require any access to Microsoft owned or leased facilities or Microsoft resources such as email, network access, cardkey, or other access badges.\(^1\)

   Prior to each placement of each Supplier staff member to perform for Microsoft, Supplier will conduct a pre-placement criminal record check utilizing Microsoft’s preferred background check screening service provider. The checks will be based on a social security trace for federal/state/county and local felony and misdemeanor convictions covering the last seven (7) years (collectively “background check”). Microsoft may further require that Suppliers perform pre-placement credit checks, when requested by Microsoft, for Supplier staff requiring access to cash handling, backend access to the corporate network, or Personally Identifiable Information (“PII”). The credit check must screen for serious unpaid and current delinquent debt, collections or judgments. Microsoft also reserves the right to request an updated background check or credit check from the Supplier on Supplier’s staff or Subcontractors on assignment at Microsoft.

\(^1\) The Supplier and Microsoft acknowledge that issues regarding pre-placement background checks and credit checks on Supplier’s staff that will perform services outside of the United States will be addressed in the context of the specific local agreement under the applicable master agreement.

Supplier Guidelines (June 2014)
Supplier will comply with the Fair Credit Reporting Act and any other applicable state and federal laws on background checks and credit checks.

The Supplier is responsible for making the determination of whether any conviction disclosed in its staff’s background check or serious delinquency or debt disclosed in the credit check is reasonably related to the work Supplier staff will do for Microsoft. Examples of convictions that may be reasonably related and should be reviewed by the Supplier include, but are not limited to: crimes of dishonesty (i.e. theft, embezzlement, fraud, forgery, etc.) and violence (i.e. murder, rape, kidnapping, assault, robbery, stalking, harassment, etc.)

Supplier must certify that it has conducted pre-placement checks consistent with this policy and that any convictions or serious delinquency or debt disclosed in the background check have been reviewed by the Supplier and the Supplier has determined that it is appropriate to place the staff on assignment at Microsoft.

If Supplier uses any Subcontractors to perform services in the United States that require any access to Microsoft resources such as email, network access, cardkey, or other access badges, or that require a Subcontractor to access the credit card or social security information of Microsoft customers, Supplier will ensure its agreements with Subcontractors include the requirements set forth in this policy.

If Supplier becomes aware of criminal activity by Supplier’s staff or Subcontractor while Supplier’s staff or Subcontractor is assigned to work for Microsoft, and Supplier determines this information makes Supplier’s staff or Subcontractor an unacceptable placement, Supplier will take complete responsibility for immediately removing said individual from the Microsoft assignment and from Microsoft property. Supplier shall comply with all applicable laws when removing any Supplier staff or Subcontractor from Microsoft premises. If the criminal activity would suggest a threat of physical harm to Microsoft property or employees, Supplier must inform its business contact and Microsoft Global Security immediately, but in no event later than 24 hours after becoming aware of the information. Otherwise, Supplier must inform its business contact of the criminal activity within 24 hours of becoming aware of the information.

In addition to any indemnification obligations in the relevant contract, if any, pursuant to which Supplier was engaged by Microsoft, Supplier agrees to indemnify Microsoft from any liability Microsoft may sustain as a result of Supplier’s failure to adhere to Microsoft’s background and credit check requirement, including that requirement’s application to Supplier’s Subcontractors, or Supplier’s failure to comply with all applicable laws in conducting a background or credit check on Supplier’s staff or Subcontractors who will perform services in the United States that require any access to Microsoft owned or leased facilities or Microsoft resources such as email, network access, cardkey, or other access badges.

If there are any questions or concerns with this program please direct them to supscrn@microsoft.com.

5. Subcontractor Requirements

Of the total amount paid by Vendor to Subcontractors to provide Services or Products, Vendor will use commercially reasonable efforts to spend at least 23% with Small Business Concerns. In addition, commercially reasonable efforts will be made to achieve the following diversity subcontract goals: 5% with Small Disadvantaged Businesses; 5% with Minority Business Enterprises; 5% with Women-owned Businesses; 3% each with Service-disabled Veteran and Veteran-Owned Businesses; 3% with HUBZone Small Business Concerns. For purposes of this subsection please refer to the definitions at 48 C.F.R. 52.219-8.

In the event Vendor is unable to comply with the percentage direct diverse subcontracting requirements in the applicable agreement after using best efforts or the agreement does not have direct diverse subcontracting requirements, Vendor will allocate and report their overall indirect diverse subcontractor spend based on percentage of revenue method (see Microsoft Tier 2 template). The report template can be obtained by emailing the MWVBE team. Quarterly reports are due the last business day of the month following the end of each quarter. The provisions of this section shall not apply if Vendor qualifies as a small business as defined under the Small Business Administration’s Table of Size Standards.