Cloud Commitment Discount Program ("Program")

Terms and Conditions

These Cloud Commitment Discount terms and conditions apply in addition to your acceptance of the Cloud Terms of Service. In consideration of the Customer's commitment to a long-term contract for compute cloud Services with Rackspace, the Parties agree as follows:

1. **Definitions.**

"**Actual Usage**" is defined as the monetary value attributable to the Customer's Eligible Cloud Services used in a given billing cycle, as represented on the invoice for that particular billing cycle.

"**Eligible Cloud Services**" means collectively Next Generation Cloud Servers and First Generation Cloud Servers, and their successor products.

"**Commitment Discount**" means the discount offered to the Customer in consideration of a commitment to contract with Rackspace for cloud compute Services for an agreed upon period of time for a single account number.

"**Commitment Usage**" is defined as the monetary value attributed to the estimated usage of the Customer's Eligible Cloud Services in a given billing cycle, agreed upon by the Parties and to which the Commitment Discount is applied (which shall include fees for infrastructure, licenses and managed cloud; but specifically exclude managed account fees and non-compute products such as bandwidth, storage, etc.).

"**Volume Discount**" refers to the standard discount applied in consideration of your compute volume spend for Eligible Cloud Services in accordance with the Cloud Compute Volume Discount terms and conditions found at http://www.rackspace.com/information/legal/volumediscount.

2. **Discounts.**

2.1 The following graduated discounts will apply to the Customer's cloud account for Eligible Cloud Services.

Commitment Usage – Tiers (Common Currencies)					**Terms for Monthly Payments**				
	AUS Geography	APAC Geography	UK Geography	USA Geography	6 months	12 months	18 months	24 months	36 months
First	USD $ 6,000	USD $ 6,000	GBP £ 4,000	USD $ 5,000	4%	8%	12%	16%	20%
Next	USD $ 6,000	USD $ 6,000	GBP £ 4,000	USD $ 5,000	8%	12%	16%	20%	24%
Next	USD $ 18,000	USD $ 18,000	GBP £ 12,000	USD $ 15,000	12%	16%	20%	24%	28%
Next	USD $ 30,000	USD $ 30,000	GBP £ 20,000	USD $ 25,000	16%	20%	24%	28%	32%
Next	USD $ 60,000	USD $ 60,000	GBP £ 40,000	USD $ 50,000	20%	24%	28%	32%	36%
Next	USD $120,000	USD $120,000	GBP £ 80,000	USD $100,000	24%	28%	32%	36%	40%
Over	USD $240,000	USD $240,000	GBP £160,000	USD $200,000	Contact Us				

2.2 Commitment Discounts are agreed to in advance for an agreed period of time and applied incrementally based on Customer's anticipated usage per month. For example, if Customer anticipates a use of Eligible Cloud Services for each month over a 12-month term will equate to USD $12,000 in the USA Geography:

2.2.1 A discount of 8% will be applied to the first USD $5,000 worth of Eligible Cloud Services;

2.2.2 A discount of 12% will be applied to the second USD $5,000 worth of Eligible Cloud Services; and

2.2.3 A discount of 16% will be applied to the next USD $2,000 worth of Eligible Cloud Services.

3. **Billing.**

3.1. Customer's eligibility for the Commitment Discount is contingent upon satisfaction of Rackspace's credit approval criteria, including successful completion of a credit check and a confirmation that your account is in "good standing" with Rackspace.

3.2. Customer shall be billed for the Commitment Usage on the first day of each bill cycle.

4. **Overuse.**

4.1 In the event that Customer's Actual Usage exceeds the Commitment Usage, the standard Volume Discount shall apply to any additional Fees over the Commitment Usage amount.

4.2. The Actual Usage amount shall be applied in determining the applicable Volume Discount.

4.3. Standard Volume Discount applies only when usage exceeds the first tier.

5. **Underuse.**

In the event that the Customer's Actual Usage is less than the Commitment Usage, the Customer shall not receive a refund or credit.

6. **Upgrades/Downgrades.**

6.1. Customer may upgrade or increase the Commitment Usage at any time during the term, provided that the Customer cannot increase Commitment Usage by more than double in any given month.

6.2. Customer must contact Rackspace to request an increase in the Commitment Usage. Any revised Commitment Usage shall become effective in the first billing cycle immediately following the agreement of the revised Commitment Usage.

6.3. Customers may not downgrade Commitment Usage, except in instances where Rackspace decreases its published price for the applicable services, and the decrease in price takes the customer below their Commitment Usage for the applicable services.

6.4. In the event that you become eligible for a downgrade pursuant to this Sub-section 6.3, you must contact Rackspace to downgrade your Commitment Usage. Upon your request, the Commitment Usage will be decreased by the weighted average impact of the published price decrease on your configuration.

7. **Aggregation across Geographies.**

7.1. "Geography" is defined as a Region or multiple Regions with the same pricing structure (e.g., both currency and amount) which are combined to create one geography for purposes of aggregating a customer's Commitment Usage. A "Region" is defined as a collection of one or more data centers interconnected with a low latency, high bandwidth network and is designated by the nearest airport code.

Geographies:

USA Geography: DFW, ORD & IAD Regions

UK Geography: UK Region

AUS Geography: SYD Region

APAC Geography: HK Region

7.2. Aggregation for any applicable discounts shall be based on the location of the Region within a Geography from which services originate. In the event that a Customer orders services from Regions in two different Geographies, the services shall be aggregated separately to apply to the different discounts available in each Geography.

8. **Prepayment Discount**.

The following graduated discounts shall be applied to Customers participating in the Program that opt to prepay the full amount of Commitment Usage (**"Full Term Prepay"**). In the event that Customer terminates its participation in the Program or in the event that Rackspace terminates for Customer's breach prior to the expiration of the committed term, Customer will not receive a refund for Full Term Prepay prepaid amounts.

Commitment Usage – Tiers (Common Currencies)					**Terms for Full Prepayment**				
	AUS Geography	APAC Geography	UK Geography	USA Geography	6 months	12 months	18 months	24 months	36 months
First	USD $ 6,000	USD $ 6,000	GBP £ 4,000	USD $ 5,000	7%	13%	20%	26%	35%
Next	USD $ 6,000	USD $ 6,000	GBP £ 4,000	USD $ 5,000	11%	17%	24%	30%	39%
Next	USD $ 18,000	USD $ 18,000	GBP £ 12,000	USD $ 15,000	15%	21%	28%	34%	43%
Next	USD $ 30,000	USD $ 30,000	GBP £ 20,000	USD $ 25,000	19%	25%	32%	38%	47%
Next	USD $ 60,000	USD $ 60,000	GBP £ 40,000	USD $ 50,000	23%	29%	36%	42%	51%
Next	USD $120,000	USD $120,000	GBP £ 80,000	USD $100,000	27%	33%	40%	46%	55%
Over	USD $240,000	USD $240,000	GBP £160,000	USD $200,000	Contact Us				

Note: With Full Prepayment, customer shall be billed in full for the entire term on the day following enrolment into the Full Term Prepay structure.

9. **Multicurrency Tiers**.

The following tiers apply to Commitment Discounts, including Prepayment Discounts, in AUS, APAC, UK & USA Geographies for all available currencies. The terms (i.e. %'s) within each tier in Sections 2 and 8 remain the same. Only the tier amounts change based on Currency and Geography.

	Australian Dollar (AUD)				Euro (EUR)			
	AUS Geo	**APAC Geo**	**UK Geo**	**USA Geo**	**AUS Geo**	**APAC Geo**	**UK Geo**	**USA Geo**
First	A$ 7K	A$ 7K	A$ 7.5K	A$ 6K	€ 5K	€ 5K	€ 5K	€ 4K
Next	A$ 7K	A$ 7K	A$ 7.5K	A$ 6K	€ 5K	€ 5K	€ 5K	€ 4K
Next	A$ 21K	A$ 21K	A$ 25K	A$ 18K	€ 15K	€ 15K	€ 15K	€ 12K
Next	A$ 35K	A$ 35K	A$ 35K	A$ 30K	€ 25K	€ 25K	€ 30K	€ 20K
Next	A$ 70K	A$ 70K	A$ 75K	A$ 60K	€ 45K	€ 45K	€ 50K	€ 40K
Next	A$ 140K	A$ 140K	A$ 150K	A$ 120K	€ 100K	€ 100K	€ 100K	€ 80K
Over	A$ 280K	A$ 280K	A$ 300K	A$ 240K	€ 195K	€ 195K	€ 205K	€ 160K

	British Pound (GBP)				US Dollar (USD)			
	AUS Geo	**APAC Geo**	**UK Geo**	**USA Geo**	**AUS Geo**	**APAC Geo**	**UK Geo**	**USA Geo**
First	£ 4K	£ 4K	£ 4K	£ 3K	$ 6K	$ 6K	$ 6.5K	$ 5K
Next	£ 4K	£ 4K	£ 4K	£ 3K	$ 6K	$ 6K	$ 6.5K	$ 5K
Next	£ 10K	£ 10K	£ 12K	£ 9K	$ 18K	$ 18K	$ 20K	$ 15K
Next	£ 20K	£ 20K	£ 20K	£ 15K	$ 30K	$ 30K	$ 33K	$ 25K
Next	£ 37K	£ 37K	£ 40K	£ 30K	$ 60K	$ 60K	$ 66K	$ 50K
Next	£ 75K	£ 75K	£ 80K	£ 60K	$ 120K	$ 120K	$ 132K	$ 100K
Over	£ 150K	£ 150K	£ 160K	£ 120K	$ 240K	$ 240K	$ 264K	$ 200K

10. **Termination**.

The Parties agree that in the event that Customer terminates its participation in the Program for convenience or Rackspace terminates Customer's services for Customer's breach, in addition to other amounts Customer may owe, Customer must pay an Early Termination Fee equal to the lesser of: (i) the cumulative discounts provided over the duration of Customer's then-current participation in the Program, or (ii) the fees due under the remaining portion of the agreed-upon term of Customer's Program participation. In the event of a termination under this Section, the account shall be terminated effective as of the end of the bill cycle in which the notice of termination was provided; no prorated refunds or terminations shall apply.

11. **SLA Credits**. Any SLA credit due to customer shall be based on Customer's post-discount spend amount.

URL: http://www.rackspace.com/information/legal/commitdiscount

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