Brexit Customer/Partner Enquiries

In response to your organization's Brexit readiness enquiry, please see the below information which we hope you find of assistance.

Microsoft's position on Brexit

Microsoft recently offered its perspective of the proposed EU withdrawal agreement which can be found here. We also recommend reviewing the opinion we expressed pre-EU referendum, which makes clear our commitment to our staff and business in the UK. This has not changed. We have a long history here. It's where we opened our first international office in 1982 and we have been investing in the UK ever since. We have more than 5,000 highly qualified people working in fields including support, marketing, gaming, communications, cybersecurity and computer science research. We've built a global centre of excellence for the development of artificial intelligence and other computing disciplines. We've also worked in partnership with innovators, entrepreneurs and people with a passion for technology to help to create a thriving partner network of around 25,000 British businesses. We will continue to monitor the regulatory landscape to ensure our investments continue to meet the needs of customers and partners.

Supplier Information

Regardless of our own commitment to the UK, we appreciate that each of our customers and partners have their own, unique challenges with Brexit (some of which are reflected in pro forma Brexit supplier questionnaires). We've been focused to help ensure that using Microsoft as a supplier is not one of those challenges. To that end we provide the information below:

1. **Cloud Services**. We are not aware of any issues impacting the use of Microsoft cloud services after Brexit and will be closely monitoring the EU (Withdrawal Agreement) Bill and any further trade negotiations.

2. **Supply chain**. We have conducted a product flow map related to retail, commercial and online store flows between UK, Ireland, and other member EU states and vice versa. Furthermore, we are completing a systems readiness and digital transaction flow assessment to assure minimal disruption in the case of a "no-deal" Brexit. We review these plans with our suppliers, distributors and logistics partners regularly. Our focus is on maintaining our high standards of services at all times for our customers and partners. We are undertaking a thorough audit of all services provisioned in the UK and currently do not see any risks associated with service levels. Given the pace of change and the lack of clarity, we will as always keep our customers top of mind should the situation change, or we anticipate disruption.

3. **Pricing.** Microsoft periodically reviews its pricing to align with market dynamics and to ensure it meets with the needs of our customers, partners, and the marketplace across the region. We make any necessary changes in response to this assessment and feedback. Many factors contribute to our ongoing assessment of local and regional

market dynamics including competition, pricing, business models, local currency rates and local inflation.

4. **Trade and Tax**. Most of our products and services are exempted from WTO tariffs under the International Technology agreement signed by 29 WTO members in the Singapore 1996 WTO Ministerial Conference, therefore, we expect minimal to no disruption in trade activities in the case of a "no-deal" Brexit.

5. **Data protection and location of data**. Microsoft's enterprise cloud contracts clearly state that as of the start of enforcement of the GDPR (May 25, 2018), Microsoft ensures that transfers of Personal Data to a third country or an international organization will be subject to appropriate safeguards and will be documented, in each case, according to applicable law including Articles 46 and 30(2) of the GDPR. Microsoft has shared its perspective on the proposed EU Withdrawal Agreement and believes that it protects the businesses of our customers and partners by helping to ensure the free flow of data across borders. For questions on data location, please see the Data Management at Microsoft page on our Trust Center and the Compliance Resources for the United Kingdom in the Services Trust Portal.