

# CLOUD COST OPTIMIZATION GUIDE

**Summit Digital Solutions, Inc.**

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## 1. PURPOSE AND SCOPE

1. This Cloud Cost Optimization Guide ("Guide") establishes the mandatory procedures and guidelines for managing and optimizing cloud infrastructure costs across Summit Digital Solutions, Inc. ("Company") and its client implementations.
2. This Guide applies to all Company employees, contractors, and consultants involved in the deployment, management, or oversight of cloud resources, including but not limited to AWS, Microsoft Azure, and Google Cloud Platform environments.

## 2. DEFINITIONS

1. "Cloud Resources" means any computational, storage, networking, or auxiliary services provisioned through public cloud service providers.
2. "Cost Centers" refers to designated business units, projects, or client engagements to which cloud expenditures are allocated.
3. "Peak Performance Platform" means the Company's proprietary digital transformation platform and associated cloud infrastructure.

## 3. MANDATORY COST OPTIMIZATION PROCEDURES

1. Resource Tagging Requirements
  - a) All cloud resources must implement the Company's standardized tagging schema
  - b) *Required tags include: ProjectID, CostCenter, Environment, Owner, and ExpirationDate*
  - c) Non-compliant resources shall be automatically flagged for review and potential termination
2. Instance Right-Sizing Protocol
  - a) Automated performance monitoring must be implemented for all compute instances

- b) Resources operating below 40% utilization for 14 consecutive days shall trigger mandatory right-sizing review
- c) Instances must be sized according to the Company's approved instance matrix

### 3. Storage Optimization Requirements

- a) Data lifecycle policies must be implemented for all storage resources
- b) Automated tiering to lower-cost storage must be configured after 30 days of inactivity
- c) Redundant or orphaned storage volumes must be identified and eliminated monthly

## 4. GOVERNANCE AND COMPLIANCE

### 1. Cost Review Cadence

- a) Weekly automated cost anomaly detection and alerting
- b) Monthly cost optimization reviews by project teams
- c) Quarterly executive cost governance meetings

### 2. Budget Controls

- a) Mandatory implementation of budget alerts at 70%, 85%, and 95% thresholds
- b) Automated suspension of non-production resources exceeding 120% of allocated budget
- c) Required CFO approval for any variance exceeding \$10,000 or 25% of monthly budget

## 5. OPTIMIZATION STRATEGIES

### 1. Reserved Instance Management

- a) Minimum 75% Reserved Instance coverage for stable workloads
- b) Quarterly Reserved Instance utilization review and rebalancing
- c) Automated conversion of eligible On-Demand instances to Savings Plans

### 2. Auto-Scaling Requirements

- a) Mandatory implementation of auto-scaling for all production workloads
- b) Custom scaling policies based on application-specific metrics
- c) Regular testing and validation of scaling thresholds

## 6. REPORTING AND METRICS

### 1. Required Cost Reports

- a) Daily resource utilization and cost allocation reports
- b) Weekly cost variance analysis
- c) Monthly optimization opportunity assessments
- d) Quarterly TCO analysis and recommendations

## 2. Key Performance Indicators

- a) Cost per unit of workload
- b) Resource utilization percentages
- c) Reserved Instance coverage ratio
- d) Cost optimization savings achieved

## **7. ROLES AND RESPONSIBILITIES**

### 1. Cloud Cost Optimization Team

- a) Monthly audit of compliance with this Guide
- b) Implementation of cost-saving recommendations
- c) Regular training and guidance to project teams

### 2. Project Managers

- a) Adherence to budgetary guidelines
- b) Regular review of resource utilization
- c) Implementation of project-specific optimization measures

## **8. EXCEPTIONS AND ESCALATIONS**

### 1. Exception Process

- a) All exceptions must be documented and approved by the Cloud Governance Board
- b) Temporary exceptions limited to 30-day duration
- c) Permanent exceptions require CTO approval

### 2. Escalation Protocol

- a) First-level: Project Manager
- b) Second-level: Cloud Cost Optimization Team
- c) Final escalation: Cloud Governance Board

## **9. DOCUMENT CONTROL**

1. This Guide shall be reviewed and updated annually or upon significant changes to cloud service provider offerings or Company requirements.
2. The Cloud Governance Board maintains ultimate authority over this document.

## **10. APPROVAL AND EXECUTION**

APPROVED AND ADOPTED by Summit Digital Solutions, Inc.

**By:**

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