



**SOFTWARE LICENSE AND SUPPORT AGREEMENT**  
**Software Order Form No. 1 ("Order Form")**  
**effective December \_\_, 2015 ("Effective Date")**

**between**                    **SAP Public Services, Inc.**  
                                  **3999 West Chester Pike**  
                                  **Newtown Square, PA 19064**  
                                  **(hereinafter "SAP")**

**and**                         **Tulare County Information and Communications Technology (TCiCT)**  
                                  **5957 S Mooney Blvd**  
                                  **Visalia CA 97301-3765**  
                                  **(hereinafter "Licensee")**

**PREAMBLE:**

SAP and Licensee agree that this first Order Form is a binding agreement for SAP software licenses and support, governed by the terms and conditions of the SAP Software General Terms and Conditions ("GTC") current at the time of execution of this Order Form, copies of which are found at [www.sap.com/company/legal/index.epx](http://www.sap.com/company/legal/index.epx) and the SAP Software Use Rights document ("Use Terms") and all Schedules referenced by the GTC and/or Order Form ("Schedules") all of which are made a part hereof. All components are integral to this agreement, and collectively are referred to herein as the "Agreement." Licensee acknowledges it has had the opportunity to review the Agreement, including without limitation the GTC, Schedules and Use Terms, prior to executing this Order Form. SAP recommends Licensee prints copies of the applicable GTC for Licensee's own records.

**1. LICENSED SOFTWARE AND FEES.** The software products licensed to Licensee pursuant to this Order Form and associated fees consists of the component(s) identified in Schedule 1. All license fees are net after discount, if applicable. The total license fees are as set forth under Schedule 1 attached hereto and made a part hereof.

The Net License Fee set forth in Schedule 1 reflects a one-time reduction of fees ("Credit"), which represents a credit for licenses previously acquired by Licensee to be terminated pursuant to Schedule 2 of this Order Form attached hereto and made a part hereof. For the purposes of this Order Form, reference to "Credit" means the amount calculated by subtracting the Total Net License Fee from the Maintenance Base as set forth in Schedule 1.

**2. SAP SUPPORT SERVICES AND FEES:** SAP and Licensee agree that SAP Enterprise Support is the applicable SAP Support offered by SAP for the Software licensed under this Order Form as set forth in the SAP Support Schedule to the Agreement.

SAP Support shall commence as of the date of initial delivery of the licenses specified in Schedule 1 ("Initial Delivery Date"). The initial term of SAP Support will continue for twelve months after the Initial Delivery Date ("Initial Term"). After the Initial Term and subject to the Agreement and SAP Support Schedule, SAP Support shall renew annually for the subsequent one year period at the end of the Initial Term or renewal terms thereafter. SAP Support Fees shall be paid annually in advance and shall be as specified below.

Licensee's purchase order to SAP or payment of the applicable SAP Support Fee for the next SAP Support term must be received prior to the end of the expiring SAP Support term. SAP Support Fee for Software licensed by Licensee under this Order Form shall be incremental to the SAP Support Fee payable for Software licensed previously by Licensee.

The SAP Enterprise Support Fee for the Software licensed under this Order Form is priced at the then current annual SAP Enterprise Support Factor in effect (currently 22%) multiplied by the Maintenance Base for the licensed Software stated in Schedule 1. The current annual SAP Enterprise Support Fee for the Software licensed under this Order Form is USD 149,193.00 (22% of USD 678,150.00). SAP agrees that the SAP Enterprise Support Factor shall remain at 22% until December 31, 2020. Thereafter, the SAP Enterprise Support Fee is subject to change once during a calendar year upon three (3) months' notice to Licensee and SAP may increase Licensee's Enterprise Support Fee hereunder from the prior year by the percentage increase in the Consumer Price Index (CPI), applied on a cumulative year-over-year basis starting from either the effective date of this Order Form or the date of Licensee's last SAP Enterprise Support Fee increase, whichever occurred later. CPI as used herein means "U.S. Consumer Price Index for all Urban Consumers, U.S. City Average - All Items 1982-1984 = 100 Base for a twelve (12) month period prior to such increase as published by the Bureau of Labor Statistics".

Not raising fees in any given year or years is not a waiver of SAP's right to do so. SAP Support Fees are invoiced on an annual basis effective upon the expiration of the Initial Term and annually thereafter. SAP Support Fees will increase as additional software is licensed.

SAP Solution Manager Enterprise Edition is available to all SAP Support customers to the extent stated in the applicable SAP Support schedule, but does not currently interface with selected SAP BusinessObjects portfolio products.

**3. PAYMENT TERMS:** All fees are in USD. All payment terms are net thirty (30) days from date of invoice.

**4. DELIVERY AND LICENSEE INFORMATION:**

Delivery of the Software licensed hereunder will be made by making the Software and SAP Support under this Order Form available for electronic download through the SAP ServiceMarketplace (<http://service.sap.com/swdc>) to Licensee at the Delivery Location identified below ("Delivery Location"). Risk of loss passes at the time of such electronic delivery.

Licensee agrees not to request any physical delivery of Software or Support Services and should it occur that any such delivery will be rejected by Licensee. Licensee agrees and understands that the calculation of Taxes may be affected by the delivery method and Delivery Location of the Software (and corresponding SAP Support).

Licensee acknowledges having received the remote access information listed below allowing download of the Software:

USER ID: S0005627774  
INITIAL PASSWORD: 14894028

Delivery Location

Delivery Address: 5957 S Mooney Blvd  
\_\_\_\_\_  
Visalia CA 93277  
\_\_\_\_\_

Licensee Information

Bill to Address:	Tulare County	A/P	Rosemary Maciel
	5957 S Mooney Blvd	Contact:	_____
	Visalia CA	Phone:	(559) 622-7331
	97301-3765	Fax:	(559) 730-2568

Licensee confirms that it has access to SAP Service Marketplace as required to download the Software licensed under this Agreement.

**5. GTC:**

For purposes of this Order Form, the following changes are made to the GTC:

a) The following sentence is added to Section 1.5 "Confidential Information"

If the Receiving Party is compelled by law or legal process to disclose Confidential Information of the Disclosing Party, it shall provide the Disclosing Party with prompt prior notice of such compelled disclosure (to the extent legally permitted) and reasonable assistance, at the Disclosing Party's expense, if the Disclosing Party wishes to contest the disclosure.

b) The following sentence is added after the second sentence of Section 4.1 Fees:

However, SAP shall not assess such interest until Licensee has failed to pay past due fees hereunder within thirty days after SAP has provided Licensee written notice of past due fees hereunder.

c) Section 12.5 Governing Law; Limitations Period is deleted in its entirety and replace with the following:

12.5 Governing Law; Limitations Period. This Agreement and any claims arising out of or relating to this Agreement and its subject matter shall be governed by and construed under the laws of Commonwealth of Pennsylvania, without reference to its conflicts of law principles. In the event of any conflicts between foreign law, rules, and regulations, and United States law, rules, and regulations, United States law, rules, and regulations shall prevail and govern. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement. The Uniform Computer Information Transactions Act as enacted shall not apply.

**5. VALIDITY OF OFFER:** The validity of this offer will expire on December 18, 2015 unless sooner executed and returned by Licensee, or extended in writing by SAP.

Accepted by:

**SAP Public Services, Inc.**

(SAP)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Accepted by:

**Tulare County Information and Communications  
Technology (TCiCT)**

(Licensee)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## Schedule 1 to Order Form

<b>Customer Name</b>	<b>950409 / Tulare County Information and Communications Technology (TCiCT)</b>
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<b>Support Type</b>	<b>SAP Enterprise Support</b>
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Fee Summary	
<b>Total Net License Fee - USD</b>	195,680.45
<b>Maintenance Base - USD</b>	678,150.00
<b>Annual Support Fee - USD</b>	149,193.00

Software Licensed				
Product	"X" if Third Party Software	License Metric	Blocks of (units)	License Quantity
SAP BusinessObjects BI suite, analytics edition (user)		Users	1	30
SAP BusinessObjects BI suite, analytics edition (CS)		Concurrent sessions	10	5

"X" if Software licensed for Stand-alone Use	X
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## SCHEDULE 2

### LICENSE TERMINATION

Upon the execution of this Order Form and in consideration of the Credit granted towards the purchase of new licenses associated with a license conversion transaction herein, Licensee's right to use the following licenses (the "Terminated Licenses") and the related SAP Support of such licenses are hereby terminated. Licensee may continue to Use the Terminated Licenses until such time as the Software licensed hereunder is in production Use. Licensee hereby certifies that it shall take all necessary measures to uninstall and cease using the Terminated Licenses within such 30 days after the date of such production Use. At any moment in time the cumulative total number of licenses installed and in production use of both the newly deployed Software and the existing Software whose licenses are being terminated may not exceed the License Quantity set forth in the "Software Licensed" section of Schedule 1. Licensee represents and warrants that it has the legal authority to terminate the Terminated Licenses specified below on behalf of the Licensee, including any Terminated Licenses that may have been secured via a reseller.

<b>Terminated Software Title and/or User</b>	<b>License Metric</b>	<b>License Level/Quantity</b>	<b>Sales Order Number</b>
SAP BusObj Enterprise Premium	CPU	2	11541738
SAP BusObj Xcelsius Ent. Int. View	CPU	2	11541738
SAP BusObj Web Intelligence	User	2	11344835
SAP BusObj Xcelsius Enterprise	User	2	11344835
SAP BusObj Enterprise Premium	User	4	11344835
SAP BusObj Web Intelligence	User	1	11336304
SAP BusObj Xcelsius Enterprise	User	1	11336304
BOE Pro to Premium Upgrade	CPU	1	11557815
SAP BusObj Web Intelligence	User	8	11557815
BOE Pro (for Crystal Reports)	CPU	1	11563215
Crystal Reports Professional Named User	User	5	11563215
SAP BusObj Xcelsius Ent. Inv. View	CPU	1	11573983
SAP BusObj Desktop Intelligence	User	2	11573983
SAP BusObj Xcelsius Enterprise	User	2	11573983
SAP BusObj Web Intelligence	User	5	11573983

<b>Total Maintenance Base of the Terminated Licenses</b>	<b>\$ 482,469.55</b>
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## SOFTWARE LICENSE AND SUPPORT AGREEMENT General Terms and Conditions ("GTC")

### 1. DEFINITIONS.

1.1 "Add-on" means any development that adds new and independent functionality, but does not modify existing SAP functionality, and is developed using SAP application programming interfaces or other SAP code that allows other software products to communicate with or call on SAP Software.

1.2 "Affiliate" means any legal entity in the Territory in which the Licensee, directly or indirectly, holds more than fifty percent (50%) of the shares or voting rights. Any such legal entity shall be considered an Affiliate for only such time as such interest is maintained.

1.3 "Agreement" means these GTCs, any Order Form referencing these GTCs, and the Use Terms and Schedules referenced by these GTCs and/or such Order Forms. All such components are integral to the agreement, and collectively are referred to herein as the "Agreement".

1.4 "Business Partner" means a legal entity or individual that requires access to the Software in connection with Licensee's internal business operations, such as customers, distributors and/or suppliers of Licensee.

1.5 "Confidential Information" means, with respect to Licensee: Licensee's marketing and business plans and/or financial information, and with respect to SAP : (a) the Software and Documentation and other SAP Materials, including without limitation the following information regarding the Software: (i) computer software (object and source codes), programming techniques and programming concepts, methods of processing, system designs embodied in the Software; (ii) benchmark results, manuals, program listings, data structures, flow charts, logic diagrams, functional specifications, file formats; and (iii) discoveries, inventions, concepts, designs, flow charts, documentation, product specifications, application program interface specifications, techniques and processes relating to the Software; (b) the research and development or investigations of SAP; and (c) product offerings, content partners, product pricing, product availability, technical drawings, algorithms, processes, ideas, techniques, formulas, data, schematics, trade secrets, know-how, improvements, marketing plans, forecasts and strategies. In addition, Confidential Information of either SAP or Licensee (the party disclosing such information being the "Disclosing Party") includes information which the Disclosing Party protects against unrestricted disclosure to others that (i) the Disclosing Party or its representatives identifies as confidential at the time of disclosure; or (ii) should reasonably be understood to be confidential given the nature of the information and the circumstances surrounding its disclosure; including, without limitation, information from, about or concerning any third party that is disclosed under this Agreement.

1.6 "Designated Unit" means information technology devices (e.g. hard disks or central processing units) identified by Licensee pursuant to this Agreement that have been officially made known to the public as appropriate for Use or interoperation with the Software.

1.7 "Documentation" means SAP's then-current technical and/or functional documentation which is delivered or made available to Licensee with the Software under this Agreement.

1.8 "Intellectual Property Rights" means patents of any type, design rights, utility models or other similar invention rights, copyrights, mask work rights, trade secret or confidentiality rights, trademarks, trade names and service marks and any other intangible property rights, including applications and registrations for any of the foregoing, in any country, arising under statutory or common law or by contract and whether or not perfected, now existing or hereafter filed, issued, or acquired.

1.9 "Modification" means (i) a change to the delivered source code or metadata; or (ii) any development, other than a change to the delivered source code or metadata, that customizes, enhances, or changes existing functionality of the Software including, but not limited to, the creation of any new application program interfaces, alternative user interfaces or the extension of SAP data structures; or (iii) any other change to the Software (other than an Add-on) utilizing or incorporating any SAP Materials (defined below).

1.10 "SAP Materials" means any software, programs, tools, systems, data or other materials made available by SAP to Licensee prior to or in the course of the performance under this Agreement including, but not limited to, the Software and Documentation, as well as any information, materials or feedback provided by Licensee to SAP relating to the Software and Documentation.

1.11 "SAP Support" means SAP's then-current SAP support offering specified in the applicable Software Order Forms and made available to Licensee as stated in the applicable SAP Support Schedule found at [www.sap.com/company/legal/index.epx](http://www.sap.com/company/legal/index.epx) as of the effective date of the first Software Order Form issued under these GTCs. Such SAP Support Schedule is incorporated herein by reference and made a part hereof. SAP recommends Licensee prints a copy of the applicable SAP Support Schedule for Licensee's own records.

1.12 "Software" means (i) any and all software products licensed to Licensee under this Agreement as specified in Software Order Forms hereto, all as developed by or for SAP, SAP SE and/or any of their affiliated companies and delivered to Licensee hereunder; (ii) any new releases, updates or versions thereof made available through unrestricted shipment pursuant to SAP Support or warranty obligation and (iii) any complete or partial copies of any of the foregoing.

1.13 "Software Order Form" means the order form for the Software, Third Party Software and related SAP Support ordered by Licensee thereunder, including information on Software, Third Party Software, SAP Support, fees, and other information necessary for the delivery of such items to Licensee.

1.14 "Territory" means the world except for those countries prohibited by United States' export laws and further subject to Section 12.4 of the GTC.

1.15 "Third Party Software" means (i) any and all software products and content licensed to Licensee under this Agreement as specified in Software Order Forms hereto, all as developed by companies other than SAP, SAP SE and/or any of their affiliated companies and delivered to Licensee hereunder; (ii) any new releases, updates or versions thereof made available through SAP Support or warranty obligations and (iii) any complete or partial copies of any of the foregoing.

1.16 "Use" means to activate the processing capabilities of the Software, load, execute, access, employ the Software, or display information resulting from such capabilities.

1.17 "Use Terms" means, with regard to Software specified in a Software Order Form, the SAP Software Use Rights document current at the time of execution of such Software Order Form, copies of which are found at [www.sap.com/company/legal/index.epx](http://www.sap.com/company/legal/index.epx) and made a part hereof. Such SAP Software Use Rights documents are incorporated herein by reference. SAP recommends Licensee prints copies of the applicable SAP Software Use Rights documents for Licensee's own records

## 2. LICENSE GRANT.

### 2.1 License.

2.1.1 Subject to Licensee's compliance with all the terms and conditions of this Agreement, SAP grants to Licensee a non-exclusive, non-transferable, perpetual (except for subscription based or term licenses) license to Use the Software, Documentation, and other SAP Materials at specified site(s) within the Territory to run Licensee's and its Affiliates' internal business operations (including customer back-up and passive disaster recovery) and to provide internal training and testing for such internal business operations, unless terminated in accordance with the terms of this Agreement. Licensee may make Modifications and/or Add-ons to the Software in furtherance of its permitted Use under this Agreement, and shall be permitted to use Modifications and Add-ons with the Software in accordance with this Section 2.1.1 and Section 6.3. Licensee shall not: (i) use the SAP Materials to provide services to third parties (e.g., business process outsourcing, service bureau applications or third party training) other than to Affiliates (subject to Section 2.2); (ii) lease, loan, resell, sublicense or otherwise distribute the SAP Materials, other than distribution to Affiliates (subject to Section 2.2); (iii) make any Use of or perform any acts with respect to the SAP Materials other than as expressly permitted in accordance with the terms of this Agreement; (iv) use Software components other than those specifically identified in the Software Order Form, even if it is also technically possible for Licensee to access other Software components. Licensee may permit Business Partners to Use the Software only through screen access, solely in conjunction with Licensee's Use, and may not Use the Software to run any of Business Partners' business operations.

2.1.2 Licensee agrees to install the Software only on Designated Units located at Licensee's facilities and in Licensee's direct possession. With advance written notice to SAP, the information technology devices may also be located in the facilities of an Affiliate or a Service Provider and be in the Affiliate's or Service Provider's direct possession. Licensee must be appropriately licensed as stated in the Use Terms for any individuals that Use the Software, including employees or agents of Affiliates and Business Partners. Use may occur by way of an interface delivered with or as a part of the Software, a Licensee or third-party interface, or another intermediary system.

2.1.3 The terms and conditions of this Agreement relative to "Software" apply to Third Party Software except (i) Licensee shall not make Modifications and/or Add-ons to Third Party Software or otherwise modify Third Party Software unless expressly authorized by SAP; and (ii) subject to Section 12.9, as otherwise stated in the Use Terms, a Schedule, an Order Form, or an Amendment.

2.2 Affiliate Use. Affiliates' Use of the Software, Documentation and other SAP Materials to run their internal business operations as permitted under Section 2.1.1 is subject to the following: (i) Licensee ensures that the Affiliate agree in writing to comply with the terms of this Agreement; and (ii) a breach of the Agreement terms by Affiliate shall be considered a breach by Licensee hereunder. If Licensee has an affiliate or subsidiary with a separate license or support agreement for SAP software with SAP SE, any SAP SE affiliate (including SAP) or any other distributor of SAP software, the Software shall not be Used to run such affiliate's or subsidiary's business operations and such affiliate or subsidiary shall not receive any support services under this Agreement even if such separate agreement has expired or is terminated, unless otherwise agreed to in writing by the parties.

2.3 Services Providers. With SAP's prior written consent, Licensee may permit services providers to access the Software solely for the purpose of providing facility, implementation, systems, application management or disaster recovery services to Licensee in connection with the business of Licensee for which the Software is herein licensed provided: (i) these rights will continue only while Licensee and such services provider have in place a written agreement that includes provisions requiring such services provider's compliance with the terms of this Agreement prior to such access, including without limitation non-disclosure of SAP Confidential Information; (ii) Licensee must be appropriately licensed for all employees of such services provider authorized to access the Software; (iii) such services provider shall be permitted to Use the Software solely to install and configure the Software in accordance with the business of Licensee as set forth herein (or in the case of a disaster recovery vendor, to provide disaster recovery services only); (iv) under no circumstances may such services provider Use the Software to operate or provide processing services to Licensee or any other party, or in connection with such services provider's own business operations; (v) Licensee shall be responsible for any additional Software, migration tools, or third party software needed to effect such transition; and (vi) Licensee expressly agrees to indemnify SAP, its officers, employees, agents and subcontractors from and against all claims, liabilities, losses, damages and costs (including reasonable attorney fees) suffered by SAP arising from a breach by the services provider of the conditions of this Agreement. Upon SAP request, Licensee shall provide written confirmation to SAP that items (i)-(iv) are fulfilled.

3. VERIFICATION. SAP shall be permitted to audit (at least once annually and in accordance with SAP standard procedures, which may include on-site and/or remote audit) the usage of the SAP Materials. Licensee shall cooperate reasonably in the conduct of such audits. In the event an audit reveals that (i) Licensee underpaid license fees and/or SAP Support fees to SAP and/or (ii) that Licensee has Used the Software in excess of the license quantities or levels stated in the Software Order Form, Licensee shall pay such underpaid fees and/or for such excess usage based on the then-current SAP price list, terms and conditions in effect at the time of the audit, and shall execute an additional Software Order Form to affect the required licensing of any additional quantities or levels. Reasonable costs of SAP's audit shall be paid by Licensee if the audit results indicate usage in excess of the licensed quantities or levels. SAP reserves all rights at law and equity with respect to both Licensee's underpayment of License fees or SAP Support fees and usage in excess of the license quantities or levels.

#### 4. PRICE, PAYMENT, AND DELIVERY.

4.1 Fees. Licensee shall pay to SAP the software license fees and the support fees as specified in the Software Order Forms. Any fees not paid when due shall accrue interest at the rate of 18% (eighteen percent) per annum, but not to exceed the maximum amount as allowed by law. SAP will deliver the Software and SAP Support by making it available for electronic download through the SAP ServiceMarketplace (<http://service.sap.com/swdc>) to Licensee. Risk of loss passes at the time of such electronic delivery. Licensee agrees not to request any physical delivery of Software or SAP Support and should it occur that any such delivery will be rejected by Licensee. Licensee agrees and understands that the calculation of Taxes may be affected by the delivery method and delivery location of the Software and corresponding SAP Support.

4.2 Taxes. Fees and other charges described in this Agreement do not include sales, VAT, withholding, use, property, excise, service, or similar taxes ("Tax(es)") now or hereafter levied, all of which shall be for Licensee's account. Any applicable direct pay permits or valid tax-exempt certificates must be provided to SAP prior to the execution of this Agreement. If SAP is required to pay Taxes, Licensee shall reimburse SAP for such amounts. Licensee hereby agrees to indemnify SAP for any Taxes and related costs, interest and penalties paid or payable by SAP.

#### 5. TERM.

5.1 Term. This Agreement and the license granted hereunder shall become effective as of the date first set forth in the applicable Software Order Form issued under these GTCs and shall continue in effect thereafter unless this Agreement is terminated upon the earliest to occur of the following: (i) thirty days after Licensee gives SAP written notice of Licensee's direction to terminate this Agreement, for any reason, but only after payment of all License and SAP Support fees then due and owing; (ii) thirty days after SAP gives Licensee written notice of Licensee's material breach of any provision of this Agreement (other than Licensee's breach of its obligations under Sections 6, 10 or 11, which breach shall result in immediate termination), including Licensee's failure to pay any money due hereunder, unless Licensee has cured such breach during such thirty day period; (iii) immediately if Licensee files for bankruptcy, becomes insolvent, or makes an assignment for the benefit of creditors. For the avoidance of any doubt, termination of this Agreement shall strictly apply to all Software licensed under this Agreement, its appendices, schedules, addenda and order documents and any partial termination of this Agreement by Licensee shall not be permitted in respect of any part of this Agreement, its appendices, schedules, addenda, order documents.

5.2 End of Term Duties. Upon any termination hereunder, Licensee and its Affiliates shall immediately cease Use of all SAP Materials and Confidential Information. Within thirty (30) days after any termination, Licensee shall irretrievably destroy or upon SAP's request deliver to SAP all copies of the SAP Materials and Confidential Information in every form, except to the extent it is legally required to keep it for a longer period in which case such return or destruction shall occur at the end of such period. Licensee must certify to SAP in writing that it has satisfied its obligations under this Section 5.2. Licensee agrees to certify in writing to SAP that it and each of its Affiliates has performed the foregoing. Sections 3, 4, 5.2, 6, 7.2, 8, 9, 10, 12.4, 12.5, 12.6 and 12.8 shall survive such termination. In the event of any termination hereunder, Licensee shall not be entitled to any refund of any payments made by Licensee. Termination shall not relieve Licensee from its obligation to pay fees that remain unpaid.

#### 6. INTELLECTUAL PROPERTY RIGHTS.

6.1 Reservation of Rights. The SAP Materials, and all Intellectual Property Rights embodied therein, shall be the sole and exclusive property of SAP, SAP SE (the parent company of SAP) or its or their licensors, subject to any rights expressly granted to Licensee in Section 2 and 6.3 herein. Except for the rights set forth in Sections 2 and 6.3 herein, Licensee is not permitted to modify or otherwise make derivative works of the Software or other SAP Materials.

6.2 Protection of Rights. Licensee shall not copy, translate, disassemble, decompile, nor reverse engineer the Software or other SAP Materials. Licensee shall not create or attempt to create the source code from the object code of the Software or other SAP Materials. Licensee is permitted to back up data in accordance with good information technology practice and for this purpose to create the necessary backup copies of the Software. Backup copies on transportable discs or other data media must be marked as backup copies and bear the same copyright and authorship notice as the original discs or other data media, unless technically infeasible. Licensee must not change or remove SAP's copyright and authorship notices.

#### 6.3 Modifications/Add-ons.

6.3.1 Licensee shall comply with SAP's registration procedure prior to making Modifications or Add-ons. All Modifications and all rights associated therewith shall be the exclusive property of SAP, SAP SE or its or their licensors. All Add-ons developed by SAP (either independently or jointly with Licensee) and all rights associated therewith shall be the exclusive property of SAP, SAP SE or its or their licensors. Licensee agrees to execute those documents reasonably necessary to secure SAP's rights in the foregoing Modifications and Add-ons. All Add-ons developed by or on behalf of Licensee without SAP's participation ("Licensee Add-on"), and all rights associated therewith, shall be the exclusive property of Licensee subject to SAP's rights in and to the Software and SAP Materials; provided, Licensee shall not commercialize, market, distribute, license, sublicense, transfer, assign or otherwise alienate any such Licensee Add-ons. SAP retains the right to independently develop its own Modifications or Add-ons to the Software, and Licensee agrees not to take any action that would limit SAP's sale, assignment, licensing or use of its own Software or Modifications or Add-ons thereto.

6.3.2 Any Modification developed by or on behalf of Licensee without SAP's participation or Licensee Add-on must not (and subject to other limitations set forth herein): enable the bypassing or circumventing any of the restrictions set forth in this Agreement and/or provide Licensee with access to the Software to which Licensee is not directly licensed; nor unreasonably impair, degrade or reduce the performance or security of the Software; nor render or provide any information concerning SAP software license terms, Software, or any other information related to SAP Materials.

6.3.3 Licensee covenants, on behalf of itself and its successors and assigns, not to assert against SAP or its affiliated companies, or their resellers, distributors, suppliers, commercial partners and customers, any rights in any (i) Licensee Add-ons or Modifications, or (ii) other functionality of the SAP Software accessed by such Licensee Add-ons or Modifications.



## 7. PERFORMANCE WARRANTY.

7.1 Warranty. SAP warrants that the Software will substantially conform to the specifications contained in the Documentation for six months following delivery. The warranty shall not apply: (i) if the Software is not used in accordance with the Documentation; or (ii) if the defect is caused by a Modification or Add-on (other than a Modification or Add-on made by SAP and which is provided through SAP Support or under warranty), Licensee or third-party software; or (iii) to any Licensee unlicensed activities. SAP does not warrant that the Software will operate uninterrupted or that it will be free from minor defects or errors that do not materially affect such performance, or that the applications contained in the Software are designed to meet all of Licensee's business requirements. Provided Licensee notifies SAP in writing with a specific description of the Software's nonconformance within the warranty period and SAP validates the existence of such nonconformance, SAP will, at its option: a) repair or replace the nonconforming Software, or b) refund the license fees paid for the applicable nonconforming Software in exchange for a return of such nonconforming Software. This is Licensee's sole and exclusive remedy under this warranty.

7.2 Express Disclaimer. SAP AND ITS LICENSORS DISCLAIM ALL OTHER WARRANTIES EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE EXCEPT TO THE EXTENT THAT ANY WARRANTIES IMPLIED BY LAW CANNOT BE VALIDLY WAIVED.

## 8. THIRD PARTY CLAIMS.

8.1 Infringement and Defense of Licensee. SAP shall defend Licensee against claims brought against Licensee in the Territory by any third party alleging that Licensee's Use of the Software, in accordance with the terms and conditions of this Agreement, constitutes a direct infringement or misappropriation of such third party's patent claim(s), copyright or trade secret rights, and SAP will pay damages finally awarded against Licensee (or the amount of any settlement SAP enters into) with respect to such claims. This obligation of SAP shall not apply if the alleged infringement or misappropriation results from (i) Use of the Software in conjunction with any other software; (ii) Use of the Software with an apparatus other than a Designated Unit; (iii) failure to promptly use an update provided by SAP if such infringement or misappropriation could have been avoided by use of the update; or (iv) any Use not permitted by this Agreement. This obligation of SAP also shall not apply if Licensee fails to timely notify SAP in writing of any such claim; however Licensee's failure to provide or delay in providing such notice shall not relieve SAP of its obligations under this Section except to the extent SAP is prejudiced by Licensee's failure to provide or delay in providing such notice. SAP is permitted to control fully the defense and any settlement of any such claim as long as such settlement shall not include a financial obligation on or admission of liability by Licensee. In the event Licensee declines SAP's proffered defense, or otherwise fails to give full control of the defense to SAP's designated counsel, then Licensee waives SAP's obligations under this Section 8.1. Licensee shall reasonably cooperate in the defense of such claim and may appear, at its own expense, through counsel reasonably acceptable to SAP. SAP expressly reserves the right to cease such defense of any claim(s) in the event the Software is no longer alleged to infringe or misappropriate, or is held not to infringe or misappropriate, the third party's rights. SAP may settle or mitigate damages from any claim or potential claim by substituting alternative substantially equivalent non-infringing programs and supporting documentation for the Software. Licensee shall not undertake any action in response to any infringement or misappropriation, or alleged infringement or misappropriation of the Software that is prejudicial to SAP's rights.

8.2 THE PROVISIONS OF THIS SECTION 8 STATE THE SOLE, EXCLUSIVE, AND ENTIRE LIABILITY OF SAP AND ITS LICENSORS TO LICENSEE, AND IS LICENSEE'S SOLE REMEDY, WITH RESPECT TO THE INFRINGEMENT OR MISAPPROPRIATION OF THIRD-PARTY INTELLECTUAL PROPERTY RIGHTS.

## 9. LIMITATIONS OF LIABILITY.

9.1 Not Responsible. SAP and its licensors will not be responsible under this Agreement (i) if the Software is not used in accordance with the Documentation; or (ii) if the defect or liability is caused by Licensee, a Modification or Add-on (other than a Modification or Add-on made by SAP which is provided through SAP Support or under warranty), or third-party software; or (iii) if the Software is used in conjunction with any third party software for which the Licensee lacks sufficient rights from the third party vendor for such use; or (iv) for any Licensee activities not permitted under this Agreement. SAP AND ITS LICENSORS SHALL NOT BE LIABLE FOR ANY CLAIMS OR DAMAGES ARISING FROM INHERENTLY DANGEROUS USE OF THE SOFTWARE AND/OR THIRD-PARTY SOFTWARE LICENSED HEREUNDER.

9.2 Exclusion of Damages; Limitation of Liability. ANYTHING TO THE CONTRARY HEREIN NOTWITHSTANDING, EXCEPT FOR (I) DAMAGES RESULTING FROM (a) UNAUTHORIZED USE OR DISCLOSURE OF CONFIDENTIAL INFORMATION; OR (b) DEATH OR PERSONAL INJURY ARISING FROM EITHER PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT; OR (II) SAP'S OBLIGATIONS UNDER SECTION 8.1; OR (III) SAP'S RIGHT TO COLLECT UNPAID FEES, UNDER NO CIRCUMSTANCES AND REGARDLESS OF THE NATURE OF ANY CLAIM SHALL SAP, ITS LICENSORS OR LICENSEE BE LIABLE TO EACH OTHER OR ANY OTHER PERSON OR ENTITY FOR AN AMOUNT IN EXCESS OF THE PAID LICENSE FEES FOR THE SOFTWARE DIRECTLY CAUSING THE DAMAGES OR BE LIABLE IN ANY AMOUNT FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR INDIRECT DAMAGES, LOSS OF GOOD WILL OR PROFITS, WORK STOPPAGE, DATA LOSS, COMPUTER FAILURE OR MALFUNCTION, ATTORNEYS' FEES, COURT COSTS, INTEREST OR EXEMPLARY OR PUNITIVE DAMAGES.

9.3 Exclusions and Limitations for Third Party Software. SUBJECT TO THE EXCLUSION OF DAMAGES STATED IN SECTION 9.2 AND WITH RESPECT TO THIRD PARTY SOFTWARE, UNDER NO CIRCUMSTANCES AND REGARDLESS OF THE NATURE OF ANY CLAIM SHALL SAP OR ITS LICENSORS' BE LIABLE FOR AN AMOUNT IN EXCESS OF THE PAID LICENSE FEES FOR THE THIRD PARTY SOFTWARE DIRECTLY CAUSING THE DAMAGES.

9.4 The provisions of this Agreement allocate the risks between SAP and Licensee. The license fees reflect this allocation of risk and the limitations of liability herein.

## 10. CONFIDENTIALITY.

10.1. Use of Confidential Information. Confidential Information shall not be reproduced in any form except as required to accomplish the intent of this Agreement. Any reproduction of any Confidential Information of the other shall remain the property of the disclosing party and shall contain any and all confidential or proprietary notices or legends which appear on the original. With respect to the Confidential Information of the other, each party : (a) shall take all Reasonable Steps (defined below) to keep all Confidential Information strictly confidential; and (b) shall not disclose any Confidential Information of the other to any person other

than its bona fide individuals whose access is necessary to enable it to exercise its rights and/or perform its obligations hereunder, and who are under obligations of confidentiality substantially similar to those set forth herein. As used herein "Reasonable Steps" means those steps the receiving party takes to protect its own similar proprietary and confidential information, which shall not be less than a reasonable standard of care. Confidential Information of either party disclosed prior to execution of this Agreement shall be subject to the protections afforded hereunder.

10.2 Exceptions. The above restrictions on the use or disclosure of the Confidential Information shall not apply to any Confidential Information that: (a) is independently developed by the receiving party without reference to the disclosing party's Confidential Information, or is lawfully received free of restriction from a third party having the right to furnish such Confidential Information; (b) has become generally available to the public without breach of this Agreement by the receiving party; (c) at the time of disclosure, was known to the receiving party free of restriction; or (d) the disclosing party agrees in writing is free of such restrictions.

10.3 Confidential Terms and Conditions; Publicity. Licensee shall not disclose the terms and conditions of this Agreement or the pricing contained herein to any third party. Neither party shall use the name of the other party in publicity, advertising, or similar activity, without the prior written consent of the other, except that Licensee agrees that SAP and its affiliated companies may use Licensee's name in customer listings or, at times mutually agreeable to the parties, as part of SAP's marketing efforts (including without limitation reference calls and stories, press testimonials, site visits, SAPPHIRE participation). SAP will make reasonable efforts to avoid having the reference activities unreasonably interfere with Licensee's business. Licensee agrees that SAP may share information on Licensee with its affiliated companies for marketing and other business purposes and that Licensee has secured permission from its employees to allow SAP to share business contact information with its affiliates.

11. ASSIGNMENT. Licensee may not, without SAP's prior written consent, assign, delegate, pledge, or otherwise transfer this Agreement, or any of its rights or obligations under this Agreement, or the SAP Materials or SAP Confidential Information, to any party, whether voluntarily or by operation of law, including by way of sale of assets, merger or consolidation. SAP may assign this Agreement to any of its affiliates.

## 12. GENERAL PROVISIONS.

12.1 Severability. It is the intent of the parties that in case any one or more of the provisions contained in this Agreement shall be held to be invalid or unenforceable in any respect, such invalidity or unenforceability shall not affect the other provisions of this Agreement, and this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

12.2 No Waiver. If either party should waive any breach of any provision of this Agreement, it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision hereof.

12.3 Counterparts. This Agreement may be signed in two counterparts, each of which shall be deemed an original and which shall together constitute one Agreement. Signatures sent by electronic means (facsimile, scanned and sent via e-mail, or signed by electronic signature service where legally permitted) shall be deemed original signatures.

12.4 Regulatory Matters. The Software, Documentation and SAP Materials are subject to the export control laws of various countries, including without limit the laws of the United States and Germany. Licensee agrees that it will not submit the Software, Documentation or other SAP Materials to any government agency for licensing consideration or other regulatory approval without the prior written consent of SAP, and will not export the Software, Documentation and SAP Materials to countries, persons or entities prohibited by such laws. Licensee shall also be responsible for complying with all applicable governmental regulations of the country where Licensee is registered, and any foreign countries with respect to the use of the Software, Documentation or other SAP Materials by Licensee and/or its Affiliates.

12.5 Governing Law; Limitations Period. This Agreement and any claims arising out of or relating to this Agreement and its subject matter shall be governed by and construed under the laws of Commonwealth of Pennsylvania, without reference to its conflicts of law principles. In the event of any conflicts between foreign law, rules, and regulations, and United States law, rules, and regulations, United States law, rules, and regulations shall prevail and govern. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement. The Uniform Computer Information Transactions Act as enacted shall not apply. Licensee must initiate a cause of action for any claim(s) arising out of or relating to this Agreement and its subject matter within one (1) year from the date when Licensee knew, or should have known after reasonable investigation, of the facts giving rise to the claim(s).

12.6 Notices. All notices or reports which are required or may be given pursuant to this Agreement shall be in writing and shall be deemed duly given when delivered to the respective executive offices of SAP and Licensee at the addresses first set forth in any Software Order Form. Where in this Section 12.6 or elsewhere in this Agreement a written form is required, except for any notice of termination or notice of a material breach which shall occur by exchange of letter(s), that requirement can be met by facsimile transmission, exchange of letters or other written form, including email..

12.7 Force Majeure. Any delay or nonperformance of any provision of this Agreement (other than for the payment of amounts due hereunder) caused by conditions beyond the reasonable control of the performing party shall not constitute a breach of this Agreement, and the time for performance of such provision, if any, shall be deemed to be extended for a period equal to the duration of the conditions preventing performance.

12.8 Entire Agreement. This Agreement constitutes the complete and exclusive statement of the agreement between SAP and Licensee, and all previous representations, discussions, and writings are merged in, and superseded by this Agreement and the parties disclaim any reliance on any such representations, discussions and writings. This Agreement may be modified only by a writing signed by both parties. This Agreement shall prevail over any additional, conflicting, or inconsistent terms and conditions which may appear on any purchase order or other document furnished by Licensee to SAP. This Agreement shall prevail over any additional, conflicting or inconsistent terms and conditions which may appear in any clickwrap end user agreement included in the Software. Signatures sent by electronic means (facsimile or scanned and sent via e-mail) shall be deemed original signatures. This Agreement does not create any partnership, joint venture or principal-and-agent relationship.

12.9 Order of Precedence. In the event of a conflict or inconsistency between the provisions of the components of the Agreement, then the following order of precedence shall be used in resolving such conflict or inconsistency: (1) the Software Order Form's terms

and conditions shall take precedence over any other component of the Agreement; (2) then the Schedule(s); (3) then the GTC; (4) then, and last, the Use Terms. Notwithstanding the foregoing, if there are any third party pass-through terms and conditions applicable to Third Party Software stated in the Use Terms, those terms and conditions must prevail over any conflicting or inconsistent terms of any component of the Agreement.

**Schedule A to the GTC**  
**"Professional Services Schedule"**

The parties agree that this Schedule is hereby annexed to and made a part of the GTC. In each instance in which provisions of this Schedule contradict or are inconsistent with the provisions of the GTC, the provisions of this Schedule shall prevail and govern.

WHEREAS, Licensee licensed from SAP the right to Use SAP Software pursuant to the Agreement and SAP provides, through its employees, affiliates, and third party contractors ("Consultants"), consulting and professional services ("Services") including support of installation and implementation of the licensed Software in the United States.

1. Services. Upon request by Licensee, SAP will provide a Consultant(s) to perform, at Licensee's direction, consulting and professional services including support of installation and implementation of the applicable SAP Software ("Services"). Any Statement(s) of Work ("SOW") more fully describing the project assumptions, scope, duration and fees for the Services shall reference this Schedule. All Services of the SAP Consultant(s) will be coordinated with the designated Licensee representative. Licensee is responsible for making the necessary internal arrangements for the carrying out of the Services on a non-interference basis.
2. Satisfaction with Performance. If at any time Licensee or SAP is dissatisfied with the material performance of an assigned Consultant or a Licensee project team member, the dissatisfied party shall immediately report such dissatisfaction to the other party in writing and may request a replacement. The other party shall use its reasonable discretion in accomplishing any such change.
3. Compensation of SAP. All Services will be provided by SAP on a time and expense basis at SAP's then current rates, unless otherwise agreed by the parties in a SOW.
4. Taxes. The fees listed in the applicable SOW do not include taxes. If SAP is required to pay sales, use, property, value-added or other taxes based on the Services provided under this Schedule, then such taxes shall be billed to and paid by Licensee. This section shall not apply to taxes based on SAP's income. Licensee also agrees to pay SAP for additional tax amounts if any, created by the taxability of Consultants reimbursed travel and living expenses resulting from long term assignments at Licensee's locations.
5. Work Product. Unless otherwise agreed to in writing by the parties in a SOW, SAP shall have the sole and exclusive right, title and ownership to any and all ideas, concepts, or other intellectual property rights related in any way to the techniques, knowledge or processes of the SAP Services and deliverables, whether or not developed for Licensee.
6. Warranty. SAP warrants that its Services shall be performed consistent with generally accepted industry standards. SAP MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, NOR ANY OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, IN CONNECTION WITH THIS SCHEDULE AND THE SERVICES PROVIDED HEREUNDER.
7. Limitation of Liability. WITH RESPECT TO SERVICES, ANYTHING TO THE CONTRARY NOTWITHSTANDING, EXCEPT FOR DAMAGES RESULTING FROM UNAUTHORIZED USE OR DISCLOSURE OF THE PROPRIETARY INFORMATION AND SAP'S RIGHT TO COLLECT UNPAID FEES, UNDER NO CIRCUMSTANCES SHALL SAP, ITS CONSULTANTS OR LICENSEE BE LIABLE TO EACH OTHER OR ANY OTHER PERSON OR ENTITY FOR AN AMOUNT OF DAMAGES IN EXCESS OF THE FEES PAID FOR THE APPLICABLE SERVICES HEREUNDER OR BE LIABLE IN ANY AMOUNT FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR INDIRECT DAMAGES, LOSS OF GOOD WILL OR BUSINESS PROFITS, WORK STOPPAGE, DATA LOSS, COMPUTER FAILURE OR MALFUNCTION, OR EXEMPLARY OR PUNITIVE DAMAGES. The provisions of the Schedule allocate the risks between SAP and Licensee. The License Fees reflect this allocation of risk and the limitations of liability herein.
8. Termination. The terms of this Schedule shall be effective as of the Effective Date of the Agreement and shall remain in effect until terminated by either party upon thirty (30) days prior written notice or otherwise in accordance with a particular SOW. Licensee shall be liable for payment to SAP for all Services provided prior to the effective date of any such termination, including any expenses incurred pursuant to the provision of such Services, in accord with the applicable SOW.
9. General Provisions.
  - 9.1 SAP may subcontract all or part of the Services to be performed to a qualified third party.
  - 9.2 With respect to the Services provided by SAP under this Schedule and any SOW hereto, the relationship of SAP and Licensee is that of an independent contractor.
  - 9.3 This Schedule, including any applicable SOWs, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties, whether written or oral, relating to the same subject matter. In the event of any inconsistencies between this Schedule and a SOW, the SOW shall take precedence over the Schedule. Any purchase order or other document issued by Licensee is for administrative convenience only.
10. Survival. Sections 5 and 7 above shall survive any termination of this Schedule.