

Software and Services Special Option JF082021

The terms of this Software and Services Special Option (“**Agreement**” also called “SSSO”) between **The Secretary of State for Environment, Food & Rural Affairs** (acting through its agency Department for the Environment Food and Rural Affairs) (“**Client**”, also called “Customer”, “you” and “your”) and **IBM United Kingdom Limited** (“**IBM**”) and allow Client to acquire SSSO Offerings, as defined below for one bottom-line price, payable in instalments, a portion or all of which is prepaid and subject to the payment terms set out in the Software Instalment Payment Plan at Section 10 of this Agreement. These installments, plus any costs of providing the Software Instalment Payment Plan, make up the Option Charges set forth in the “Charges” Section of this Agreement.

The terms of this Agreement are in addition to and may modify (for the purposes of this Agreement only) those of the “**Associated Documents**” which govern the acquisition of the SSSO Offerings. The terms of the Associated Documents are incorporated into this Agreement by reference.

A portion, or all of the SSSO Offerings charges will be pursuant to the terms set out in Section 10 (Software Instalment Payment Plan). You and IBM agree to the terms and conditions of Section 10 by signing this Agreement. The parties acknowledge and agree that the terms of Section 10 take precedence over the remainder of this Agreement and the Associated Documents in relation to matters of payment thereunder.

1. Confidentiality

Client understands that the terms of this Agreement (including the price offered to Client as part of this offering) are confidential, and Client agrees not to disclose the terms of this Agreement to any third party (including any agent, advisor, or consultant) without IBM’s prior written approval pursuant to an IBM three-way non-disclosure Agreement, unless required by law.

2. Definitions

The definitions in the Associated Document(s) shall apply to any capitalized term in this Agreement, unless such term is modified by this Agreement.

“**Active Use Quantity**” means the quantity of licenses in Active Use. The Active Use Quantity does not include any license quantity deployed by Client prior to the Start Date for which Client does not have a license entitlement.

“**Other Program Quantities**” means those quantities of Enterprise Programs that Client or member(s) of Client’s Enterprise acquired: (i) prior to the Start Date; or (ii) outside of this Agreement; or (iii) from third parties that are part of a third-party solution or application. Other Program Quantities are not covered by the Option Charges and do not qualify for the purpose of calculating the Active Use Quantity.

“**Enterprise**” shall mean The Secretary of State for Environment, Food & Rural Affairs (“Client” or “you” or “DEFRA”) and its departments unless otherwise detailed in this Agreement.

“**IBM Software Lab Services**” means IBM software related services performed by IBM software lab specialists.

“**Option Charges**” means the sum of the charges for the SSSO Offerings (as defined below), including all amounts due to IBM under Section 10.

3. Contract Term

This Agreement starts on **31st August 2021** (“**Start Date**”) and remains in effect up to and including **31st August 2023** (“**End Date**”), unless terminated earlier as provided herein. Client may only purchase SSSO Offerings (as defined below) during the contract term.

4. SSSO Offerings

The offerings that qualify for the terms of this Agreement (“**SSSO Offerings**”) may only be acquired directly from IBM and are as follows:

Products included in Schedule A – Products List which is attached to and made part of this Agreement (the “**Listed Software Products**”) are comprised of the following:

- i. Products and Programs;
- ii. IBM Subscription and Support (“**S&S**”) renewals for previously acquired Programs;

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5. Associated Documents and Use of SSSO Offerings

The following IBM Agreements comprise the Associated Documents and govern the use of SSSO Offerings:

1. IBM International Program License Agreement ("IPLA"). (ref: Z125-3301-14) which governs IPAA Programs
2. IBM International Passport Advantage Agreement ("IPAA"), (ref: Z125-5831-10 11/2017), DEFRA IPAA Agreement Number 239336, Site Number 3915798. which governs IPAA Programs and Subscription and Support
3. IBM containerized programs are subject to the IPAA and the Addendum - Special Option for Container Licensing Terms (the "CLT Addendum") which is attached to and made part of this Agreement as Addendum A.

5.1 The following Changes to the Terms and Conditions are provided for the purposes of this Agreement only;

- a) The second sentence of Section 3 - License Grant of the IPLA where it says
"IBM grants Licensee a nonexclusive license to" is deleted and replaced with *"IBM grants Licensee a perpetual nonexclusive license to"*
- b) Section 3.1.1 Trade-ups, of the IPLA is deleted and replaced with the following:

"If the Program is replaced by a trade-up Program and the trade-up Program has been installed by the Licensee, the replaced Program's license is promptly terminated."
- c) Section 3.1.2 is deleted and replaced with the following:

" When Licensee receives an update, fix, or patch to a Program, Licensee accepts any additional or different terms that are applicable to such update, fix, or patch that are specified in its LI. If no additional or different terms are provided, then the update, fix, or patch is subject solely to this Agreement. If the Program is replaced by an update, Licensee agrees to promptly discontinue use of the replaced Program after the update Program is installed."
- d) The second sentence of Section 3.3 Term and Termination of the IPLA is deleted and replaced with the following:

"IBM may terminate Licensee's license if Licensee fails to comply with the terms of this Agreement and fails to remedy such non-compliance with a reasonable period of time following receipt of IBM's notice of such non-compliance "
- e) *The following sentence is added to clause 3.3 of the IPLA*
"This clause is subject to clause 13(f)"

5.2 IBM Third Party Access

Client may not assign Client's obligations under this Agreement. However, IBM agrees that at Client's request, Client's outsourcer will be allowed to access and run the IBM Products covered by this Agreement on Client's behalf but only on machines that are dedicated for use by Client's Enterprise subject to an IBM Third Party Access Agreement or equivalent executed by all parties. IBM consents to that access provided that Client agrees to remain obligated hereunder, and the outsourcer agrees with Client and IBM in writing to only access and use the Programs solely for Client's benefit and be bound to the license agreement that comes with such Programs. If no separate license agreement comes with such Program, then the outsourcer must agree to the license terms described herein and in the applicable Associated Documents and abide by those terms and conditions.

5.3 Enterprise Programs in Software and Services Special Option - MDIN20180630

On signature of this Agreement Client and IBM agree that Section 7 Enterprise Programs of the Software and Services Special Option - MDIN20180630 dated 30th June 2018 ("2018 SSSO") is hereby terminated and Client will no longer have the right to deploy the Enterprise Programs under the terms as detailed in the 2018 SSSO. The products and quantities listed in Schedule B Table 1 shall constitute the final Active Use Verification Report required under Section 7 Enterprise Programs of the 2018 SSSO and accordingly IBM will issue Proofs of Entitlement as described in the 2018 SSSO. For any products listed in Schedule B Table 1 and which is also identified on Schedule A Table 1 hereto as an "Enterprise Program", the quantities listed in Schedule B Table 1 shall be deemed to be the Other Program Quantities under section 5.4 of this Agreement. All future Active Use Verification Reports of Enterprise Programs will be deemed to be subject to-section 5.4 of this Agreement.

5.4 Enterprise Programs

Prior to the earlier of the **17th August 2023** and the termination of the Agreement (the “**Calculation Date**”) any Eligible Program identified in Schedule A as an “Enterprise Program” may be deployed within Client's Enterprise without limitation as to the license quantity only if such program: (i) is actively deployed by Client for production or development or both (i.e., no “stockpiling” of licenses); and (ii) is deployed on machines Client owns or leases and operates within Client's Enterprise (“**Active Use**”); (iii) or is validly deployed at Client's outsourcer pursuant to section 5.2 Third Party Access or is validly deployed at a Cloud Service Provider pursuant to the authorization in this Agreement; and (iv) Client may not deploy any Enterprise Program before first acquiring IBM Software Subscription and Support or IBM Subscription and Support Reinstatement on all Other Program quantities.

For purposes of Enterprise Programs, “**Enterprise**” shall mean The Secretary of State for Environment, Food & Rural Affairs (“Client” or “you” or “DEFRA”) and any legal entity within Defra owns, by more than 50% as of the Start Date and does not include any future business entities or assets of business entities which become part of Client's Enterprise through merger or acquisition activity after the Start Date of this Agreement. Other Program Quantity licenses may not be transferred or deployed outside of Client's Enterprise.

If virtualization technology is used to limit the processor capacity available for use with the Enterprise Programs to less than all the activated processor cores on the server(s), Client agrees to adhere to the terms for Programs in Virtualization and Container Environments as described in the applicable License Information Document, the IPLA, the IPAA and at https://www.ibm.com/software/passportadvantage/about_software_licensing.html.

For a period of 24 months following the End Date or Termination Date, as applicable, Client is prohibited from using the sub-capacity licensing for any Enterprise Program that was identified in the Active Use Verification as not being used with virtualization technology.

For Enterprise Programs that require a license key, IBM will provide an initial quantity of keys. If prior to the Calculation Date Client requires additional license keys Client must request such additional keys by notifying IBM in writing of the amount of such additional keys Client requires. IBM will provide such additional license keys.

On the Calculation Date the quantity of licenses of Enterprise Programs acquired under this **Agreement** (the “Active Use Entitlement”) will be established by subtracting the Other Program Quantities that were not acquired under this **Agreement** from the Active Use Quantity.

The Active Use Entitlement will be established by verification of the Active Use Quantity and the Other Program Quantities on the Calculation Date (the “Active Use Verification”).

For example, if Client acquired 2 copies of Program X under Passport Advantage in advance of the signing of this Agreement and those copies are in Active Use prior to the Start Date, and Client has 10 copies of Program X in Active Use as of the Calculation Date, then IBM will issue a Proof of Entitlement to Client for 8 copies of Program X.

To complete the Active Use Verification, Client must provide to IBM a detailed report of deployment and use using the templates IBM provides to Client (the “**Active Use Verification Report**”).

The Active Use Verification must be certified as complete and accurate by one of Client's senior executives or one of Client's financial auditor's officers. Further, the Active Use Verification must include supporting documentation sufficient to allow IBM to determine the factual and analytical basis of such report and its conclusions.

Each party will identify one point of contact that will be responsible for reporting between the parties and the management of Enterprise Programs.

In addition to the Active Use Verification, Client must also submit a copy of the Active Use Verification Report to IBM quarterly (e.g., January 1st, April 1st, July 1st, October 1st and on the Calculation Date. Client must provide IBM a written report, using the format shown below, listing the cumulative quantities of licenses of each until the Calculation Date with the Active Use Quantity and Other Program Quantity of each Enterprise Program at that point in time.

The Active Use Report lists the information required for Enterprise Programs:

1. Part Number and Program Description
2. Licensing Metric
3. Active Use Quantity

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4. Other Program Quantity
5. Whether or not it is a Royalty Product
6. Whether or not virtualization technology is used to limit the processor capacity available for use with the Enterprise Program.

Active Use Report Example:

[Final] Active Use Report				Date: / /		
Part Number	Product Description	Licensing metric	Active Use Quantity	Other Program Quantity	Royalty Yes/No	Virtualization Yes/No
D51ADLL	XL-C for AIX	Authorized user	10	5	No	No
D06GPLL	Forms Designer	Authorized user	100	0	Yes	Yes
D55WJLL	WAS-ND	PVU	90	0	Yes	No

IBM may notify Client that as an alternative to or in addition to Client's Active Use Verification Report, IBM will independently verify Client's deployment and usage. If IBM conducts an independent Active Use Verification, IBM may use a third-party independent auditor to either perform or assist with the Active Use Verification provided that IBM has a written confidentiality agreement in place with such auditor. The Active Use Verification will be conducted in a manner that minimizes disruption to Client's business and may be conducted on Client's premises during normal business hours. Each party is responsible for and will pay its own costs for the Active Use Verification.

For a period of one year after the Calculation Date, if Client elects to renew S&S for any Enterprise Program, Client must renew S&S for the entire Active Use Quantity for such Enterprise Program(s).

In the event of a conflict between this **Agreement** and any Proof of Entitlement issued prior to the Calculation Date, this **Agreement** shall prevail as the governing document.

5.5 Instalation of ILMT

Client agrees to: 1) instal and configure ILMT and generate the initial ILMT report within 180 days of the Start Date; and 2) produce, on a quarterly basis, the required reports, retaining such reports for at least two years, and making them available to IBM upon IBM's request.

5.6 Eligible Services Credit.

As part of this Agreement Client is [REDACTED] of the following IBM Program-related Services ("**Eligible Services**" collectively, "the **Eligible Services Credit**") performed directly by IBM Software Lab Services, at no additional charge for ILMT assistance Services

Eligible Services will be provided pursuant to a Statement of Work agreed to by the parties and issued under an IBM Customer Agreement or any equivalent agreement in effect between us. Any such Eligible Services Credit must be used prior to the earlier of 28th February 2022 or the termination of this Agreement ("Expiration Date"). Standard IBM rates shall apply for such Eligible Services, provided such agreed prices are within IBM's then-current established standalone selling prices for such services. The Eligible Services Credit cannot be transferable into cash or other option. Upon the Expiration Date, any remaining Eligible Services Credit will be forfeited.

Any travel and living expenses associated with the provision of the Eligible Services, as well as any taxes applicable to the Eligible Services are in addition to any charges for Eligible Services. Prior to any engagement of Eligible Services, IBM will notify Client in writing if there will be any travel and living expenses, with an estimated value to be included in the IBM Customer Agreement or any equivalent agreement, and IBM will invoice Client for such charges and Client agrees to pay such charges.

6. Fulfillment

SSSO Offerings will be acquired directly from IBM.

7. Verification

Client may deploy the SSSO Offerings, as permitted by Client's Associated Documents up to the maximum level of use authorizations (quantities) specified in this Agreement. If Client's actual deployment of any of the Listed Software Products has exceeded the specified maximum level of use authorizations (quantities), Client agrees to promptly notify IBM of such excess and to pay separately for such excess as IBM specifies in its invoice, at Client's then-current (1) RSVP level price for Programs made available under the IPAA and (2) suggested retail price for Programs not made available under the IPAA.

Client is responsible for (a) creating and maintaining accurate records of all deployments of SSSO Offerings and of use authorizations (quantities), (b) ensuring that Client does not exceed Client's use authorizations, and (c) remaining in compliance with the terms of this Agreement and the Associated Documents, including, without limitation, all of IBM's applicable licensing and pricing qualification terms (independently or collectively the "**License Terms**").

Upon reasonable notice, IBM may verify Client's compliance with the License Terms at all sites and for all environments in which Client uses (for any purpose) SSSO Offerings, subject to the License Terms. Such verification will be conducted in a manner that minimizes disruption to Client's business and may be conducted on Client's premises, during normal business hours. IBM may use an independent auditor ("**Auditor**") to assist with such verification, provided IBM has a written confidentiality agreement in place with such Auditor. Client agrees to provide to IBM and the Auditors accurate written records, system tool outputs (including without limitation the retained SMF 30 subtype 4 records), and other system information sufficient to provide auditable verification that Client's use of all SSSO Offerings is in compliance with the License Terms.

The rights and obligations set forth in this section (Verification) remain in effect during the term of this Agreement and for two years thereafter.

IBM will notify Client in writing if any such verification indicates that Client have used any of the SSSO Offerings in excess of its use authorizations or are otherwise not in compliance with the License Terms. In addition to Client's obligations to pay for any excess use, Client agrees to promptly pay directly to IBM the charges that IBM specifies in an invoice for: (1) S&S for the SSSO Offerings in such excess use for the lesser of the duration of such excess use or two years; and (2) any additional charges and other liabilities determined as a result of such verification.

Unless specifically agreed herein or in another signed agreement in writing between Client and IBM, the licenses for the Programs and S&S acquired under this Agreement may not be used to settle or resolve any software license non-compliance by Client that occurred prior to the Start Date of this Agreement. Further, unless otherwise agreed to by the parties in writing, the licenses for the Programs and S&S acquired under this Agreement may not be used as authorization to deploy Programs prior to the Start Date.

Subject to the terms and conditions of this Agreement, for a period of 6 months from the Start Date of this Agreement IBM agrees not to conduct a verification with Client-unless IBM has a reasonable basis on which to believe a violation of the applicable governing license terms has occurred. This does not affect Client's obligations to remain in compliance with the governing licensing terms.

8. Charges

Client shall pay IBM for all SSSO Offerings provided under this Agreement (the "**Option Charges**").

Client is responsible for making all payments that are subject to the Software Instalment Payment Plan, in accordance with the terms of Section 10.

The Option Charges are due on or before the following dates as follows:

██████████	██████████
██████████	██████████
██████████	██████████

The Option Charges do not include any additional amounts incurred pursuant to the section of this Agreement entitled "Verification". The Option Charges and any additional charges beyond the Option Charges incurred pursuant to the section entitled "Verification" are exclusive of any applicable duties, fees and taxes. Client is responsible for any such duties, fees and taxes

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including, but not limited to, withholding taxes and, if as a result of Client moving, accessing or using any of the SSSO Offerings across a border, any customs duty, tax, levy or fee (including withholding taxes for the import or export of any such SSSO Offering).

The Option Charges are not cancelable except as may be otherwise provided in the section of this Agreement entitled "Termination".

Client agrees that failure to pay any Option Charges, if not cured within 30 days, shall constitute a breach of this Agreement including Section 10.

9. Termination

Subject to the payment of the amounts described below, Client may terminate this Agreement at each annual anniversary of the Start Date by providing IBM written notice at least 90 days prior to such anniversary.

Upon such termination, Client will pay to IBM all unpaid charges (the "**Remaining Charges**"), including but not limited to:

- (i) any amounts due pursuant to the Section of this Agreement entitled "Verification";
- (ii) amounts due under Section 10 related to termination;
- (i) any taxes which arise on or before the date of the termination; and
- (ii) any outstanding S&S charges due until the contract End Date.

Notwithstanding any such termination, but subject to Client's payment of the Remaining Charges, the S&S specified herein continue in accordance with the terms and conditions of the Associated Documents.

10. Software Instalment Payment Plan

- A) This Section 10 to the Agreement sets out additional terms and conditions under which IBM grant a licence to use the Software referenced below in the Details and Payments table.
- B) IBM agrees to waive the requirement for Client to make upfront payment for the Software in return for Client's agreement to pay the Option Charges as set out in Section 8 of the Agreement. Such payments are due under the terms of this Section 10, which will take precedence over the remainder of the Agreement and Associated Documents in relation to any payment matters and in the event of any conflict. It is a condition of this Section 10 that Client shall comply with the terms of the Agreement and Associated Documents.
- C) Any conditions and warranties, express or implied, statutory or otherwise, made as to the condition, quality or description of any Software or as to its purpose, are unchanged by this Section 10 and remain governed by the Agreement and Associated Documents (as applicable). Such terms shall also continue in relation to performance and other related issues of the Software and the payment obligations herein shall not affect any of Client's rights set out in the Agreement.

DETAILS AND PAYMENTS TABLE

Software Description: As set out in Schedule A Tables 1, 2 and 3

Term: 24 months

Payments: Included in the Option Charges as per Section 8, Charges

1. Payment and Software

- 1.1 The Start Date of this Section 10 will be the Start Date of the Agreement.
- 1.2 Client is responsible for any taxes and charges arising in respect of this Section 10.
- 1.3 Termination of this Section 10 shall occur as set out in Section 9 of the Agreement. Payment of the Remaining Charges as defined therein shall satisfy Client's payment of all amounts due under this Section 10.
- 1.4 Following either: (a) in the event of early termination, payment of the Remaining Charges, or (b) receipt by IBM of all amounts due under this Section 10, this Section 10 shall terminate and any matters related to the continued use of Software shall be governed by the Agreement and Associated Documents (as applicable).
- 1.5 The following representations shall be made before and shall continue during the Term of the Instalment Payment Plan: Except as may be permitted in the Agreement, IBM represents and warrants to you that it will not interfere with Client's quiet enjoyment of use or possession of the Software, nor permit others acting on its behalf to do so, unless there is an event of default by Client in accordance with clause 1.7 of this Section 10.
- 1.6 Any matters relating to loss or corruption of Software shall not affect Client's payment obligations under this Section 10.
- 1.7 If Client: (a) fails to pay in full any Payment within 30 business days of receiving written notice from IBM that such Payment is due, or (b) fails to remedy a material breach of any other obligation under this Section 10 within 30 business

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days of receiving written notice from IBM giving details of such breach, IBM may take any or all of the following actions i) treat this Section 10 as terminated and recover from Client all sums then due, plus the Early Termination Charge, ii) withdraw Client's right to use the Software.

2. General

- 2.1 During the Term, IBM may assign or novate its interests and/or benefits in this Section 10 to another United Kingdom based wholly owned subsidiary of IBM Corporation.
- 2.2 During the Term, Client hereby undertake in favour of IBM to ensure that Software at all times will be kept free from any lien, charge or encumbrance, or otherwise dispose of Software except as otherwise set out in this Section 10.
- 2.3 Neither IBM Corporation, IBM nor any other IBM Corporation Enterprise makes any representation whatsoever regarding the Client's accounting treatment applicable to the charges for transactions under this Section 10. IBM Corporation accounts for this Section 10 as an instalment payment plan under US GAAP for US reporting purposes. Summary details of transactions under this Section 10 are available upon request.

3. Definitions

"Early Termination Charge" means at the date of termination the total of:

- i) a sum equal to any amounts, including late Payment interest, that have fallen due but have not been paid, and
- ii) the sum of any Payments not yet due;

"Payment(s)" means the periodic payments for the Software set out in this Section 10 during the Term and any other amounts including costs of providing this Section 10;

"Software" means those SSSO Offerings referenced in the Details and Payments Table herein that are subject to the terms of this Section 10;

"Term" means the term stated in months in this Section 10, plus the period of time elapsing between the Start Date and the due date of the first Payment referenced in the Details and Payments Table.

11. General

- a. Acquisitions made under this Agreement may not be resold, rented, leased or transferred to third parties.
- b. Each party will identify one point of contact to facilitate communication between the parties and the management of this Agreement.
- c. Client may not transfer or assign this Agreement without the written consent of IBM. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assignees.
- d. IBM may assign its rights to payments under this Agreement.
- e. Client may not use acquired bundled programs, such as Cloud Paks, or IBM Subscription Licenses to replace IBM S&S.
- f. It will be considered a material breach of this Agreement if Client sets-off, or attempts to set-off, any payments due IBM under this Agreement by any amounts IBM owes Client, or may owe Client, under other agreements Client may have with IBM or if Client refuses to make payments under this Agreement based upon any dissatisfaction Client may have under any such other agreements.
- g. Processing of Personal Data:
IBM's Data Processing Addendum ("**DPA**") at <https://www.ibm.com/support/customer/csol/terms/?cat=dpa>, and the Local Laws Covered by the DPA listed at <https://www.ibm.com/terms/?id=DPA-DPL>, and the applicable DPA Exhibits apply and supplement this Agreement if and to the extent (i) the European General Data Protection Regulation (EU/2016/679) or (ii) other data protection laws identified apply to the processing of personal data by IBM as a Processor on behalf of the Client

The DPA Exhibit applicable to S&S is published at:

<https://www.ibm.com/support/customer/csol/terms/?cat=tss-dpa-exhibits#detail-document>

- h At Client's request, IBM agrees to offer Client the flexibility to install the Programs at an IBM approved third-party cloud provider, to provide Client infrastructure services for hosting software applications ("**Cloud Service Provider**"), in accordance with the policy specified at:
http://www.ibm.com/software/passportadvantage/eligible_public_cloud_BYOSL_policy.html.

This authorization does not modify or supersede any of Client's obligations in the IPAA and IPLA regarding the License Programs or this Agreement, including requirements for use in a virtualized environment (subject to the reporting requirements specified in the policy, the IPAA, the CLT Addendum and this Agreement). Client acknowledges that the verification terms in the IPAA and IPLA extend to the Cloud Service Provider environment on which the Programs are installed, and Client agrees to collect all required usage data from the Cloud Service Provider. Client will not provide the Cloud Service Provider any unauthorized use or access to the License Programs.

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The prices and terms of this Agreement will not become effective unless Client returns a signed copy of this Agreement to IBM on or before 31st August 2021. By accepting this Agreement, Client agrees this order is firm and funding is approved and committed. Payment of charges as specified in the Agreement is not contingent upon issuance of a Purchase Order and will be made in accordance with the terms of the Agreement.

The parties agree that this Agreement, including all Associated Documents, are the complete agreement between us and replaces any prior oral and/or written communications between us concerning this subject matter. By signing below, the parties agree to the terms of this Agreement and the Associated Documents. If there is a conflict among terms of this Agreement and those of the Associated Documents, for the purposes of this Agreement, those of this Agreement prevail.

Agreed to:


The Secretary of State for Environment, Food & Rural Affairs

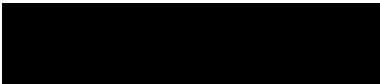
Agreed to:

IBM United Kingdom Limited

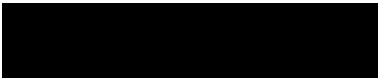
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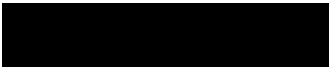
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Position (type or print): 

Date: 

Date: 

Client IBM Customer number: 

Client address:






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Table 2 New Fixed Quantity Programs.

Licence Part Number	S&S Part Number	Description	Quantity	S&S Start date	S&S End Date

Table 3 S&S Renewals of existing Programs

S&S Part Number	Description	Quantity	S&S Coverage From	S&S Coverage To

End of Schedule A

[illegible]

SSSO Mar 2, 2021 – V2.1.6
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[illegible]

Addendum A Special Option for Container Licensing Terms

This Addendum – Special Option for Container Licensing Terms (“**CLT Addendum**”) modifies or is in addition to the terms of IBM International Passport Advantage Agreement or the equivalent agreement (“**IPAA Agreement**”) referenced in this Agreement. Capitalized terms not defined in this CLT Addendum are defined in the Agreement and Associated Documents.

1. Container Licensing Terms

Eligible Products (EP) that meet the requirements for containerization usage may be licensed under Container Licensing terms (“**Eligible Container Product**”) at:

<https://www.ibm.com/software/passportadvantage/containerlicenses.html>.

Client must acquire entitlements for the total number of cores associated with the capacity of all containers available to the Eligible Container Product.

2. Additional Virtualization Environment Terms

For EP deployments that cannot meet Container Licensing requirements, Client must license the total number of physical processor cores activated and available for use on all servers where the EP is deployed (Full Capacity).

If at any time IBM becomes aware of circumstances indicating that Client is not operating all or a portion of Client's environment in accordance with applicable Container Licensing requirements, IBM may declare Client's Enterprise, or any applicable portion of Client's Enterprise, ineligible for Container Licensing and will provide Client with notice of any such determination. Client shall have 30 days to provide IBM information sufficient for IBM to determine that Client is in full compliance with the applicable Container Licensing requirements, in which case IBM shall withdraw its determination of ineligibility. Otherwise, Client agrees to acquire sufficient additional licenses and IBM Software Subscription and Support entitlements necessary for Full Capacity usage within the identified Client environment at then current prices.

3. Client's Container Reporting Responsibilities

Client will properly install, run, and maintain the IBM License Service as described at <https://www.ibm.com/software/passportadvantage/containerlicenses.html> and configure the IBM License Service according to the Eligible Container Product's documentation within 90 days of deploying any Eligible Container Product.

Manual tracking of container capacity is not permitted. Reports generated by the IBM License Service must be prepared at least once per quarter and retained for a period of not less than 2 years. In conjunction with Container Licensing, failure to use the **IBM License Service and prepare and provide required reports will result in Full Capacity charging for all servers within the cluster where the Eligible Container Product is deployed.**

4. Additional Reporting Responsibilities

Client will not alter, modify, omit, delete, or misrepresent by any means, directly or indirectly,

1. i) reports generated by the IBM License Service;
2. ii) the IBM License Service code; or
3. iii) reports that Client submits to IBM or to an independent auditor.

The foregoing does not apply to changes, modifications or updates to IBM License Service expressly provided by IBM.

Client will assign a person in Client's organization with authority to manage and promptly resolve questions on reports or inconsistencies between report contents, license entitlement, or IBM License Service configuration; and promptly place an order with IBM or Client's Reseller if reports reflect EP use over Client's authorized level. IBM Software Subscription and Support and Selected Support coverage will be charged as of the date Client exceeded Client's authorized level.