

# J Squared Technologies Inc.

## Software Maintenance Agreement

AGREEMENT by and between the Customer and J Squared Technologies Inc. ("JST").

WHEREAS JST has licensed to the Customer certain Software as specified in the Software License Agreement and as listed in the Software Maintenance Schedule annexed hereto and the Customer wishes to have JST perform software maintenance services on the licensed Software pursuant to the following terms and conditions:

### 1. Software Covered

- 1.1. The software covered in this Agreement is JST's Software, as more fully described in the Customer Software License Agreement and in the Software Maintenance Schedule annexed hereto, and as updated with improvements or modifications furnished to the Customer from time to time. During the term of this Agreement, JST shall supply the Customer with any improvements or modifications to the Software as set forth below. ANY THIRD-PARTY SOFTWARE IS PROVIDED "AS IS". JST provides no support or warranty services for Third Party Software.

### 2. Correction or Replacement

- 2.1. During the term of this Agreement and provided the Customer is in compliance with its payment obligations, JST shall use commercially reasonable efforts to correct or replace the Software or provide the services necessary to remedy any programming error which is attributed to JST and which significantly affects use of the Software. Such correction, replacement, or services shall promptly be accomplished during regular business hours after the Customer has identified and notified JST of any such error in accordance with JST's reporting procedures.

### 3. Customer Support

- 3.1. The Customer agrees to provide JST with all assistance, access, information, and documentation as JST may require to provide services hereunder, as well as sufficient support and test time on the Customer's computer system to duplicate the problem, certify that the problem is with JST's Software, and certify that the problem has been corrected.
- 3.2. JST may offer additional services such as consulting, training, and setups, where necessary. Such services are normally charged on a time and material basis.
- 3.3. JST also reserves the right to charge for services outside of normal support services, such as debugging problems in non-JST products or combination of JST and non-JST's products where the problem occurs in the non-JST's product, and all other cases where it is judged highly likely that the suspected problem is not the responsibility of JST.
- 3.4. When a situation occurs where a reported problem is likely to fall outside of the range of supported services, a commercially reasonable attempt will be made to estimate the potential cost of providing such services and advise the Customer for approval and agreement. Should it be found that the problem is indeed caused by a supported product, no charges will be incurred.
- 3.5. A JST Maintenance Service Outline has been provided in **Maintenance Schedule** attached to this document.

### 4. Customer Responsibility

- 4.1. The Customer shall inform JST in writing of any modifications made by the Customer to the System. Corrections for difficulties or defects traceable to (i) the Customer's errors or systems changes, (ii) any defects or problems caused in whole or part by defects in any software, hardware, firmware peripheral, or communication device used with JST's Software not provided by or approved of in writing by JST, (iii) failures of Customer or any third

party to follow JST's most current instructions for proper use of JST's Software, and/or (iv) failure to install and use the updates, modifications, and corrections provided by JST, shall be billed at JST's standard time and material charges.

## 5. Term

5.1. This Agreement is effective from the date hereof and shall continue for a period of one (1) year, after which it may be terminated by either party on sixty (60) days' prior written notice. JST may or may not notify Customer of the impending Maintenance Expiration Date. It is Customer responsibility to exercise the option to renew maintenance prior to the Maintenance Expiration Date. In case of a lapse in the Maintenance renewal JST reserves the right to charge a re-enrollment fee equal to 50% of JST software's list price.

## 6. Price and Payment

6.1. Customer shall pay to JST the Annual maintenance fee designated for each Software component in the associated **Company Sales Quotation**. The maintenance fee shall be payable annually in advance. In addition to JST's other remedies for any late payment, Customer shall pay 1.5% interest per month, or the maximum percentage permitted by law, whichever is less, on amounts not paid as due.

## 7. Travel Expenses

7.1. The Customer shall reimburse JST for any out-of-pocket expenses incurred at the Customer's request, including travel to and from the Customer site, lodging, meals, telephone charges, and shipping costs, as may be necessary in connection with the duties performed under this Agreement by JST.

## 8. Adjustments to Terms and Conditions

8.1. At any time after the expiration of the initial one (1) year term, JST may change its software maintenance fees, terms, and conditions upon ninety (90) days' written notice to the Customer.

## 9. Title to Software and Confidentiality

9.1. Any changes, additions, and enhancements in the form of new or partial programs or documentation as may be provided under this Agreement shall remain proprietary to JST. The Software Licensor Agreement referred to above shall include under its proprietary restrictions any such additional programming and documentation provided under this Agreement.

9.2. The Software or any improvements, modifications, or changes to the Software provided hereunder and all copies thereof are proprietary to JST and title thereto remains in JST. All applicable rights to patents, copyrights, trademarks, and trade secrets in the Software and the improvements, modifications, and changes thereto are and shall remain in JST. The Customer shall not sell, transfer, publish, disclose, display, or otherwise make available the Software or improvements, modifications, or changes thereto or copies thereof to others. The Customer agrees to secure and protect each program, software product, and copies thereof in a manner consistent with the maintenance of JST's rights therein and to take appropriate action by instruction or agreement with its employees who are permitted access to each program or software product to satisfy its obligations hereunder. All copies of the Software, or improvements, modifications, or changes thereto made by the Customer including translations, compilations, partial copies with modifications, and updated works are the property of JST.

9.3. Violation of any provisions herein shall be the basis for immediate termination of this Software Maintenance Agreement. Termination of this Agreement shall be in addition to and not in lieu of any equitable remedies available to Licensor.

## **10. Exclusion of Liability**

10.1. JST MAKES AND CUSTOMER RECEIVES NO WARRANTY, EXPRESS OR IMPLIED, AND THERE IS EXPRESSLY EXCLUDED ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. JST SHALL HAVE NO LIABILITY WITH RESPECT TO ITS OBLIGATIONS UNDER THIS AGREEMENT FOR CONSEQUENTIAL, EXEMPLARY, OR INCIDENTAL DAMAGES EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR KNEW OF OR SHOULD HAVE KNOWN THEREOF. JST'S TOTAL LIABILITY TO CUSTOMER HEREINUNDER, IF ANY, WILL IN NO EVENT EXCEED THE TOTAL AMOUNT PAID TO JST BY CUSTOMER HEREINUNDER IN THE IMMEDIATELY PRECEDING SIX (6) MONTHS.

## **11. Termination**

11.1. In the event of termination of the permanent Software License Agreement referred to above, all maintenance fees or charges payable for the term of this Agreement shall become due and payable and JST's obligations under this Software Maintenance Agreement shall immediately end. JST may terminate this Agreement in the event of default by the Customer.

## **12. General**

- 12.1. Each party acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms, and further agrees that it is the complete and exclusive statement of the Agreement between the parties, which supersedes and merges all prior proposals, understandings, and all other agreements, oral and written, between the parties relating to this Agreement. This Agreement may not be modified or altered except by a written instrument duly executed by both parties.
- 12.2. This Agreement and performance hereunder shall be governed by and construed in accordance with the laws of the Province of Ontario. All proceedings relating to the subject matter hereof shall be maintained in the courts of the Province of Ontario.
- 12.3. If any provision of this Agreement shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired thereby.
- 12.4. The Customer may not assign without the prior written consent of Licensor, its rights, duties, or obligations under this Agreement to any person or entity, in whole or in part.
- 12.5. The waiver or failure of either party to exercise in any respect any right provided for herein shall not be deemed a waiver of any further right hereunder.

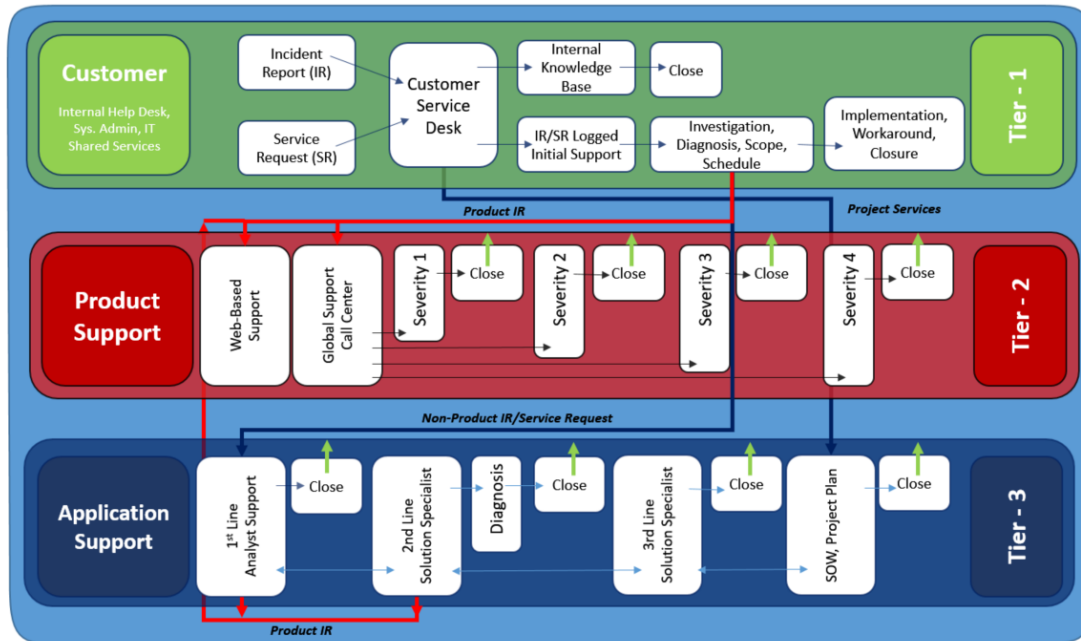
# Maintenance Schedule

## J SQUARED MAINTENANCE SERVICES OUTLINE

### 1. Service Desk Support Definitions and Support Levels

#### Overview of Support Structure:

The following diagram provides a high-level overview of the Service Desk Support, which is a Tier-3 level support structure.



#### Definitions:

- Service Desk Support** – A support resource available to troubleshoot problems or provide guidance to the customer in relation to the organization's PLM System.
- Incident Report/IR (Reactive Support Issue)** – Support required because of a problem that arises affecting system operation, performance, or uptime; or causing an inconvenience, that if unresolved, will limit customer's efficiency and reliability to complete work in the system and thus finding a resolution is typically of a time sensitive nature.
- Service Request/SR (Proactive Support Issue)** – Support requirement not a result of an immediate system problem. Customer requires help or assistance on how to complete a task or wants to address planned activities for system administration, configuration, maintenance, and support activities.
- Tier 1 Support** – Internal support structure/resources within the Customer organization
- Tier 2 Support** – Application/Product support provided by OEM software vendor. Client must be under an active product support contract to have access to vendor support and to open support tickets. Product support also provides for access to software upgrades, patches, hot fixes, and other resources.
- Tier 3 Support** – 3<sup>rd</sup> party partner support provided by Vendor as defined within a scope of work, to provide application support outside of the standard OEM product support.

## 2. J-Squared Severity Definitions

Severity	Definition
High	* Critical - production system down/Severe Loss of Service
Medium	* Minor loss of service - impact is an inconvenience
Low	Normal priority

## 3. Assumptions and Prerequisites

- Customer is under an active product support agreement with J-Squared Technologies with support fees paid up in advance of the support period.
- Customer to provide reasonable access to supported environment to facilitate resolution of support incident where required. Expectation is that most issues can be addressed by web conference/desktop sharing where applicable.
- Customer will test and validate all resolutions first on offline test system and assumes full responsibility for resolution that may change system configuration and/or impact data or process integrity before applying any configuration changes to production environment that may invalidate the system.
- Customer is responsible for testing, documenting, and validating all resolutions that may impact installation and operational qualification.
- If required, copy of system data dump can be requested for offline support instance to support resolution of support incident.

## 4. Maintenance Support Levels

Title	Description/Details	Service Desk
<b>Contact Method</b>	<b>Phone: +1 (855) 365-2188</b>	✓
	<b>E-Mail: support@jsquaredPLM.com</b>	✓
	<b>Customer Portal Access</b>	✓
<b>Standard Coverage</b>	8:30 AM to 5:00 PM Eastern Standard Time (EST)	✓
<b>Off – Hour Coverage</b>	<ul style="list-style-type: none"> <li>• Severity High Incidents Only or as discussed with J-Squared PM. To be reviewed on case by case basis</li> </ul>	*
<b>Maximum Services</b>	Maximum of 50 hours of annual support hours.	✓
<b>Language</b>	English	✓
<b>Contact Frequency</b>	per Incident	✓
<b>Number of Contact Resources</b>	<b>Resources to be identified by Service Plan</b>	<b>2</b>
On-Site Availability	On-Site support as required: <ul style="list-style-type: none"> <li>• arranged through Customer Support Authority and J-Squared Account Manager</li> <li>• Lead Time to be evaluated on case by case basis</li> </ul>	✓
	<b>Travel Costs</b>	*
<b>Reporting</b>	<b>Issue Tracking</b>	✓
<b>First-Line Response Times (Business Hours)</b>	<b>High</b>	<b>4 hrs</b>
	<b>Medium</b>	<b>8 hrs</b>
	<b>Low</b>	<b>8 hrs</b>
<b>Incident Escalation</b>	<b>High, Medium</b> – automatic escalation to 2 <sup>nd</sup> line support upon receipt and acknowledgement of incident report	✓
	<b>Low</b> - incidents or service requests will be escalated to Second-Line support if they cannot be satisfactorily closed within a (30) minute call	✓
<b>Third Party Software Problem/Debugging</b>	Customer to raise a support ticket with Third Party Directly. J-Squared available to assist.	*
<b>Disaster Recovery</b>		*