The parties agree to modify Client Relationship Agreement / Cloud Services Agreement number ____________ as follows:

The term Products also includes Programs.

Add as a new section:

1. Programs
   a. A Program is an IBM-branded computer program and related material available for license subject to the payment of charges. Program details are described in an Attachment called License Information (LI). Programs do not include Machine Code or Project Materials as those terms may be defined in the Client Relationship Agreement or an Attachment. Programs are copyrighted and licensed (not sold). When IBM accepts an order for a Program, Client is granted a nonexclusive license to: i) use the Program only up to its authorizations and subject to its LI; ii) make and install copies to support such authorized use; and iii) make a backup copy. Programs may be used by Client, its authorized employees and contractors only within Client’s Enterprise, and not to provide hosting or timesharing services to any third party. Client may not sublicense, assign, or transfer the license for any Program. Additional rights may be available for additional fees or under different terms. Client is not granted unrestricted rights to use the Program nor has Client paid for all of the economic value of the Program. Certain Programs may contain third party code licensed under separate agreements identified in the LI.
   b. The license granted for a Program is subject to Client:
      (1) reproducing copyright notices and other markings;
      (2) ensuring anyone who uses the Program does so only for Client’s authorized use and complies with the license;
      (3) not reverse assembling, reverse compiling, translating, or reverse engineering the Program; and
      (4) not using any of the elements of the Program or related licensed material separately from the Program.
   c. The metric applicable to a Program license is specified in an Attachment or TD. All licenses on a server or capacity based metric must be licensed to the full capacity of the server on which the Program is installed, unless sub-capacity usage is available from IBM and Client complies with the applicable sub-capacity requirements and terms as set forth in Attachments and TDs.

2. Content and Data Protection
   In this section, where it may say “Services” or “maintenance services”, add in all places in this section: “or Program support”.

3. Warranties and Post Warranty Support
   Add the following new paragraphs:
   a. IBM warrants that Programs used in their specified operating environment conform to their official published specifications. The warranty period for a Program (not the Program component of an Appliance) is one year, or the initial license term if less than one year, unless another warranty period is specified in an Attachment or TD. During the Program warranty period, IBM provides Software Subscription and Support (S&S), entitling Client to defect correction information, restrictions, bypasses, and new releases and versions IBM makes generally available. Unless Client elects to discontinue S&S, annual S&S automatically renews at then-current charges until S&S for a version or release is withdrawn. If Client elects to continue S&S for a Program at a designated Client site, Client must maintain S&S for all uses and installations of the Program at that site.
   b. If a Program does not function as warranted during its warranty period and IBM is unable to repair or replace it with a functional equivalent, Client may return it to IBM for a refund of the amount Client paid (for recurring charges, up to twelve months’ charges) and Client’s license or right to use it terminates.

4. Charges, Taxes, Payment, and Verification
   Add as new last paragraph the following provision for verification, if one does not exist:
   a. Client will: i) maintain, and provide upon request, records, system tools output, and access to Client’s premises, as reasonably necessary for IBM and its independent auditor to verify Client’s compliance with the Agreement, including Program licenses and metrics, such as sub-capacity usage; and ii) promptly order and pay for required entitlements (including associated S&S) at IBM’s then-current rates and for other
charges and liabilities determined as a result of such verification, as IBM specifies in an invoice. These compliance verification obligations remain in effect during the term of any TD and for two years thereafter.

*If a verification paragraph similar to above already exists add:*

Such verification of compliance includes compliance with Program licenses and metrics, such as sub-capacity usage, and resulting payment for required entitlements, if any, includes associated S&S.

5. **Liability and Indemnity**

*Add to end of paragraph d, if wording is not already included, the following:* IBM has no responsibility for claims based, in whole or part, on use of a non-current version or release of an IBM Product when an infringement claim could have been avoided by using a current version or release.

6. **Termination**

*Add to end of paragraph a:* IBM may terminate Client’s license to use a Program if Client fails to comply with the Agreement. Client will promptly destroy all copies of the Program after either party has terminated the license.

7. **General**

*In this section, in first and second sentences of last paragraph, regarding transfer of Content, add:* “or to provide Program support”