

**Procurement Services**

(360) 487-8430

(360) 487-8433 fax

[www.cityofvancouver.us](http://www.cityofvancouver.us)

Federal Tax ID No. 91-6001288

**Purchase Order Number: 88229****Amendment No:****Page: 1****Date:** 15-AUG-17**This Purchase Order number MUST appear on all invoices, packing lists, and correspondence related to this order.**

<b>Supplier:</b> WORKDAY INC 6230 STONERIDGE MALL RD PLEASANTON, CA 94588		<b>Ship To:</b>
<b>Submit Invoice To:</b> City of Vancouver Accounts Payable P.O. Box 1995 Vancouver, WA 98668 accpay@cityofvancouver.us	<b>Promised Delivery Date:</b> <b>FOB:</b> <b>Payment Terms:</b> <b>Buyer:</b> <b>Effective Dates:</b>	 FOB DESTINATION NET 30 S Cramer 25-AUG-17 to 24-AUG-22

<b>If you have questions regarding this order, please contact:</b>	
<b>Note to Supplier:</b>	- THE SUPPLIER IS TO PROVIDE A SUBSCRIPTION FOR WORKDAY FOR CITY OF VANCOUVER INFORMATION TECHNOLOGY SERVICES PER THE ATTACHED WRITTEN AGREEMENT AND BY REFERENCE HERETO MADE A PART OF THIS PURCHASE ORDER.  PROJECT MANAGER: SCOTT COOLEY
See last page for Supplier Notes. Click or enter this URL <a href="http://www.cityofvancouver.us/psa_tc">http://www.cityofvancouver.us/psa_tc</a> to access either the General terms and conditions (Rev. 05/2017) or the Professional Services terms and conditions (Rev. 05/2017), which is applicable to the issued Purchase Order, unless this is an amended Purchase Order.	

PO Number: 88229					Page 1 of 1
Line	Description	Quantity	UOM	Unit Price	Amount
				Subtotal	\$3,104,845.00
				Sales Tax	
				Total	\$3,104,845.00

Authorized  
Signature:  
(Kevin Yin)



## **MASTER SUBSCRIPTION AGREEMENT**

This Master Subscription Agreement, effective as of the later of the dates beneath the parties' signatures below ("**Effective Date**"), is by and between **Workday, Inc. ("Workday")** a Delaware corporation with offices at 6230 Stoneridge Mall Road, Pleasanton, CA 94588 and **City of Vancouver ("Customer" or the "City")**, a Washington municipal corporation with offices at City Hall 415 W. 6th St., Vancouver, WA 98660. As Workday provides a subscription Service to which Customer intends to subscribe, this Agreement establishes the business relationship and allocation of responsibilities regarding the Service and the parties therefore agree as follows:

### **I. Provision of Service.**

**1.1 Workday Obligations.** During the Term of this Agreement, Workday shall: (i) make the Service and Improvements available to Customer in accordance with the Documentation (which, for purposes of clarity under this Agreement, the Documentation in effect as of the Effective Date is the "Workday 28 User Guide") and the SLA (the version in effect as of the Effective Date is attached as Exhibit "B" and incorporated by this reference) and pursuant to the terms of this Agreement; (ii) not use Customer Data except to provide the Service, or to prevent or address service or technical problems, verify Service Improvements, in accordance with this Agreement and the Documentation, or in accordance with Customer's instructions; and (iii) not disclose Customer Data to anyone other than Authorized Parties in accordance with this Agreement and/or any applicable Laws. Workday will provide service credits to Customer according to the *Workday SLA Service Credit Exhibit* attached hereto as Exhibit A.

**1.2 Customer Obligations.** Customer may enable access of the Service for use only by Authorized Parties solely for the internal business purposes of Customer and its Affiliates in accordance with the Documentation and not for the benefit of any third parties. Customer is responsible for all Authorized Party use of the Service and compliance with this Agreement. Customer shall: (a) have sole responsibility for the accuracy, quality, and legality of all Customer Data; and (b) take commercially reasonable efforts to prevent unauthorized access to, or use of, the Service through login credentials of Authorized Parties, and notify Workday promptly of any such unauthorized access or use. Customer shall not: (i) use the Service in violation of applicable Laws; (ii) in connection with the Service, send or store infringing, obscene, threatening, or otherwise unlawful or tortious material, including material that violates privacy rights; (iii) knowingly or intentionally send or store Malicious Code in connection with the Service; (iv) interfere with or disrupt performance of the Service or the data contained therein; or (v) attempt to gain access to the Service or its related systems or networks in a manner not set forth in the Documentation. Customer shall designate a maximum number of named contacts as listed in the applicable Order Form to request and receive support services from Workday ("Named Support Contacts"). Named Support Contacts must be trained on the Workday product(s) for which they initiate support requests. Customer shall be liable for the acts and omissions of all Authorized Parties and Customer Affiliates relating to this Agreement.

### **2. Fees.**

**2.1 Invoices and Payment.** Subscription Service Fees and all other fees due hereunder will be invoiced to Customer in the United States and payment will be remitted by Customer from the United States. All fees due hereunder (except fees subject to good faith dispute) shall be due and payable within thirty (30) days of invoice date. Workday may send all Customer invoices electronically by email to [accpay@cityofvancouver.us](mailto:accpay@cityofvancouver.us) or by US mail to City of Vancouver, Attn: Accounts Payable, P.O. Box 1995 Vancouver, Washington 98668, with a copy via email to the City's project manager as designated by the City. All fees are quoted and payable in United States Dollars and are based on access rights acquired and not actual usage. All remittance advice and invoice inquiries can be directed to [Accounts.Receivable@workday.com](mailto:Accounts.Receivable@workday.com). In the event of any good faith dispute with regard to all or part of an invoice, the undisputed portion shall be paid as set out above. Upon resolution of the disputed portion, any amounts owed by Customer to Workday shall be paid by Customer and any amounts owed by Workday to Customer shall be credited off Workday's next invoice.

**2.2 Non-cancelable and non-refundable.** Except as specifically set forth to the contrary under Section 6.2 "Warranty Remedies", Section 7 "Indemnification by Workday", Section 9 "Term and Termination", and under the SLA, all payment obligations under any and all Order Forms are non-cancelable and all payments made are non-refundable.

**2.3 Overdue Payments.** Any payment not received from Customer by the due date may accrue (except with respect to charges then under reasonable and good faith dispute), at Workday's discretion, late charges at the rate of 1.0% of the outstanding balance per month, or the maximum rate permitted by law, whichever is lower, from the date such payment was due until the date paid.

**2.4 Non-Payment and Suspension of Service.** If Customer's account is more than thirty (30) days past due (except with respect to charges subject to a reasonable and good faith dispute), in addition to any other rights or remedies it may have under this



## **MASTER SUBSCRIPTION AGREEMENT**

Agreement or by law, Workday reserves the right to suspend the Service upon thirty (30) days written notice, without liability to Customer, until such amounts are paid in full. Such notice shall clearly and prominently state that the Service is at risk of suspension and shall not solely take the form of an invoice with an overdue notice.

**2.5 Taxes.** This section applies only if Customer has not provided Workday with a tax exemption certificate authorized and honored by applicable taxing authorities that covers all Transaction Taxes. Subscription Services Fees and all other fees invoiced pursuant to this Agreement do not include in its price any transaction taxes, which may include local, state, provincial, federal taxes, levies, duties or similar governmental assessments of any nature, including, but not limited to, sales tax (referred to as "Taxes"). Customer is responsible for paying all Taxes imposed on the Subscription Services Fees or any other services provided under this Agreement, excluding U.S. income taxes imposed on Workday. If Workday has a legal obligation to pay or collect Taxes for which Customer is responsible under this Agreement, the appropriate amount shall be computed based on Customer's address listed in the first paragraph of this Agreement which will be used as the ship-to address on the Order Form, and invoiced to and paid by Customer, unless Customer provides Workday with a valid tax exemption certificate authorized by the appropriate taxing authority. Upon Customer's request, Workday shall cooperate, in good faith, with Customer regarding taxes assessed on any given invoice, including but not limited to discussions regarding which line item(s) in a particular invoice are (or are not) being assessed taxes. Workday is solely liable for any tax obligation arising from Workday's performance of this Agreement. Workday hereby agrees to be responsible for any late interest and penalties arising from Workday's failure to remit the applicable taxes charged on all fees earned pursuant to this Agreement to the relevant tax authority.

### **3. Proprietary Rights.**

**3.1 Ownership and Reservation of Rights to Workday Intellectual Property.** Workday and its licensors own all right, title and interest in and to the Service, Documentation, and other Workday Intellectual Property Rights. Subject to the limited rights expressly granted hereunder, Workday reserves all rights, title and interest in and to the Service, and Documentation, including all related Intellectual Property Rights. No rights are granted to Customer hereunder other than as expressly set forth herein.

**3.2 Grant of Rights.** Workday hereby grants Customer (for itself and Customer's Affiliates and Authorized Parties for whom Customer enables access to the Service) a non-exclusive, non-transferable, right to use the Service and Documentation, solely for the internal business purposes of Customer and its Affiliates and solely during the Term, subject to the terms and conditions of this Agreement within scope of use defined in the relevant Order Form. The Service is provided in U.S. English. Workday has translated portions of the Service into other languages. Customer and its Authorized Parties may only use the translated portions of the Service for the number of languages listed in the applicable Order Form.

**3.3 Restrictions.** Customer shall not (i) modify or copy the Service or Documentation or create any derivative works based on the Service or Documentation; (ii) license, sublicense, sell, resell, rent, lease, transfer, assign, distribute, time share, offer in a service bureau, or otherwise make the Service or Documentation available to any third party, other than to Authorized Parties as permitted herein; (iii) reverse engineer or decompile any portion of the Service or Documentation, including but not limited to, any software utilized by Workday in the provision of the Service and Documentation, except to the extent required by Law; (iv) access the Service or Documentation in order to build any commercially available product or service; or (v) copy any features, functions, integrations, interfaces or graphics of the Service or Documentation.

**3.4 Ownership of Customer Data.** As between Workday and Customer, Customer owns its Customer Data.

**3.5 Customer Input.** Workday shall have a royalty-free, worldwide, transferable, sub-licensable, irrevocable, perpetual license to use or incorporate into the Service any Customer Input. Workday shall have no obligation to make Customer Input an Improvement. Customer shall have no obligation to provide Customer Input.

### **4. Confidentiality.**

**4.1 Confidentiality.** A party shall not disclose or use any Confidential Information of the other party except as reasonably necessary to perform its obligations or exercise its rights pursuant to this Agreement except with the other party's prior written permission.

**4.2 Protection.** Each party agrees to protect the Confidential Information of the other party in the same manner that it protects its own Confidential Information of like kind, but in no event using less than a reasonable standard of care. To the extent



## MASTER SUBSCRIPTION AGREEMENT

Customer concludes that the Service will include Customer Data that is protected by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the parties agree to enter into Workday's business associate agreement.

**4.3 Compelled Disclosure.** A disclosure by one party of Confidential Information of the other party to the extent required by Law shall not be considered a breach of this Agreement, provided the party so compelled promptly provides the other party with prior notice of such compelled disclosure (to the extent legally permitted) and provides reasonable assistance, at the other party's cost, if the other party wishes to contest the disclosure. Workday acknowledges that Customer is subject Washington's Public Records Act, RCW 42.56, ("PRA"). If the Customer receives a records request under the PRA covering information that Workday asserts to be Workday Confidential Information, Customer shall notify Workday promptly but no less than ten (10) business days prior to release of such request, in order to provide Workday time to seek a court order against such release. Only to the extent that Customer is allowed by law, Customer will reasonably consider granting an extension to Workday upon request so that Workday can adequately assess voluminous materials that have been requested. If Workday fails to obtain such an order or fails to commence a lawsuit seeking such an order prior to the release date identified in Customer's notice, Customer thereafter may release the asserted Workday Confidential Information covered by the public records request without further obligation or liability to Workday under this Agreement or any other agreement, under any applicable law, or otherwise.

**4.4 Remedies.** If a party discloses or uses (or threatens to disclose or use) any Confidential Information of the other party in breach of confidentiality protections hereunder, the other party shall have the right, in addition to any other remedies available, to injunctive relief to enjoin such acts, it being acknowledged by the parties that any other available remedies are inadequate.

**4.5 Exclusions.** Confidential Information shall not include any information that: (i) is or becomes generally known to the public without breach of any obligation owed to the other party; (ii) was known to a party prior to its disclosure by the other party without breach of any obligation owed to the other party; (iii) was independently developed by a party without breach of any obligation owed to the other party; or (iv) is received from a third party without breach of any obligation owed to the other party. Customer Data shall not be subject to the exclusions set forth in this Section.

### **5. Customer Data.**

**5.1 Protection and Security.** During the Term of this Agreement, Workday shall maintain a formal security program materially in accordance with industry standards that is designed to: (i) ensure the security and integrity of Customer Data; (ii) protect against threats or hazards to the security or integrity of Customer Data; and (iii) prevent unauthorized access to Customer Data. Such security program will conform to the *Workday Security Exhibit* attached hereto, and is further described in Workday's most recently completed Service Organization Control 1 (SOC1) and Service Organization Control 2 (SOC2) audit reports or industry-standard successor reports. The most recently completed, as of the Effective Date, SOC1 and SOC2 audit reports are referred to as the "Current Audit Reports". Each year, Workday will retain a nationally recognized public accounting firm to produce such an audit report relating to the Service at Workday's cost. In no event during the Term shall Workday materially diminish the protections provided by the controls set forth in Workday's Security Exhibit and the Current Audit Reports. Workday will promptly remediate any material deficiencies identified in the Current Audit Report. Upon Customer's request, Workday will provide Customer with a copy of Workday's then-current SOC1 and SOC2 audit reports or comparable industry-standard successor report prepared by Workday's independent third party auditor. Workday is self-certified to the EU-U.S. Privacy Shield Framework maintained by the U.S. Department of Commerce ("Privacy Shield") and will remain certified for the Term of the Agreement provided that the Privacy Shield is recognized by the European Commission as a legitimate basis for the transfer of Personal Data to an entity located in the United States. The *Data Processing Exhibit* attached hereto will apply to the processing of Personal Data (as defined in the Data Processing Exhibit). Workday designs its Service to allow Customers to achieve differentiated configurations, enforce user access controls, and manage data categories that may be populated and/or made accessible on a country-by-country basis. Customer understands that its use of the Service and compliance with any terms hereunder does not constitute compliance with any Law. Customer understands that it has an independent duty to comply with any and all Laws applicable to it.

**5.2 Unauthorized Disclosure.** If either party believes that there has been a Security Breach, such party must promptly notify the other party, unless legally prohibited from doing so, within forty-eight hours or any shorter period as may be required by Law. Additionally, each party will reasonably assist the other party in mitigating any potential damage. Each party shall bear the costs of such remediation or mitigation to the extent the breach or security incident was caused by it except as such costs may be allocated pursuant to Section 5.3. As soon as reasonably practicable after any such Security Breach that is not clearly attributable



## **MASTER SUBSCRIPTION AGREEMENT**

to Customer or its Authorized Parties, Workday shall conduct a root cause analysis and, upon request, will share the results of its analysis and its remediation plan with Customer.

**5.3 Workday Remediation of Certain Unauthorized Disclosures.** In the event that any unauthorized access to or acquisition of Personal Data is caused by Workday's breach of its security and/or privacy obligations under this Agreement, Workday shall reimburse Customer for the reasonable and documented costs incurred by Customer in connection with the following items: (a) any required forensic investigation to determine the cause of the breach, (b) providing notification of the security breach to applicable government and relevant industry self-regulatory agencies, to the media (if required by applicable Law) and to individuals whose Personal Data may have been accessed or acquired, (c) providing credit monitoring service to individuals whose Personal Data may have been accessed or acquired for a period of one year after the date on which such individuals were notified of the unauthorized access or acquisition for such individuals who elected such credit monitoring service, and (d) operating a call center to respond to questions from individuals whose Personal Data may have been accessed or acquired for a period of one year after the date on which such individuals were notified of the unauthorized access or acquisition. NOTWITHSTANDING THE FOREGOING, OR ANYTHING IN THE AGREEMENT TO THE CONTRARY, WORKDAY SHALL HAVE NO RESPONSIBILITY TO PAY COSTS OF REMEDIATION THAT ARE DUE TO RECKLESS MISCONDUCT, GROSS NEGLIGENCE, WILLFUL MISCONDUCT AND/OR FRAUD BY CUSTOMER OR ITS EMPLOYEES, AGENTS OR CONTRACTORS.

### **6. Warranties and Disclaimers.**

**6.1 Warranties.** Each party warrants that it has the authority to enter into this Agreement and, in connection with its performance of this Agreement, shall comply with all Laws applicable to it related to data privacy, international communications and the transmission of technical or personal data. Workday warrants that during the Term (i) the Service shall perform materially in accordance with the Documentation; (ii) the functionality of the Service will not be materially decreased during the Term; and (iii) to the best of its knowledge, the Service does not contain any Malicious Code. Workday further warrants that it will not knowingly introduce any Malicious Code into the Service. Malicious Code, no matter how introduced, will be remedied in accordance with Section 6.2.

**6.2 Warranty Remedies.** In the event of a breach of the warranty set forth in Section 6.1 (i) or (ii), or upon the discovery of Malicious Code in the Service, (a) Workday shall correct the non-conforming Service at no additional charge to Customer, or (b) in the event Workday is unable to correct such deficiencies after good-faith efforts, Workday shall refund Customer amounts paid that are attributable to the defective Service from the date Workday received such notice through the date of remedy, if any. To receive financial warranty remedies, Customer must promptly report deficiencies in writing to Workday, but no later than thirty (30) days of the first date the deficiency is identified by Customer, but Customer's failure to notify Workday within such thirty (30) day period shall not affect Customer's right to receive the remedy in Section 6.2(a) unless Workday is unable or materially impaired in its ability to, correct the deficiency due to Customer's failure to notify Workday within the thirty (30) day period. Notice of breaches of the warranty in Section 6.1(i) or (iii) shall be made through Workday's then-current error reporting system; notices of breaches of any other warranty shall be made in writing to Workday in accordance with the Notice provisions of this Agreement. The remedies set forth in this subsection shall be Customer's sole remedy and Workday's sole liability for breach of these warranties unless the breach of warranty constitutes a material breach of the Agreement and Customer elects to terminate the Agreement in accordance with the Section entitled "Termination".

**6.3 DISCLAIMER.** EXCEPT AS EXPRESSLY PROVIDED HEREIN AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, WORKDAY MAKES NO WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE SERVICE AND/OR RELATED DOCUMENTATION. WORKDAY DOES NOT WARRANT THAT THE SERVICE WILL BE ERROR FREE OR UNINTERRUPTED. THE LIMITED WARRANTIES PROVIDED HEREIN ARE THE SOLE AND EXCLUSIVE WARRANTIES PROVIDED TO CUSTOMER IN CONNECTION WITH THE PROVISION OF THE SERVICE.

**7. Intellectual Property Indemnification by Workday to Customer.** Workday shall defend, indemnify and hold Customer harmless against any loss, damage or costs (including reasonable attorneys' fees) in connection with claims, demands, suits, or proceedings ("Claims") made or brought against Customer by a third party alleging that the use of the Service as contemplated



## **MASTER SUBSCRIPTION AGREEMENT**

hereunder infringes any third party's Intellectual Property Rights; provided, however, that Customer: (a) promptly gives written notice of the Claim to Workday; (b) gives Workday sole control of the defense and settlement of the Claim (provided that Workday may not settle any Claim unless it unconditionally releases Customer of all liability); and (c) provides to Workday, at Workday's cost, all reasonable assistance. Workday shall not be required to indemnify Customer to the extent that the alleged infringement arises from: (w) modification of the Service by Customer, its Employees, or Authorized Parties in conflict with Customer's obligations or as a result of any prohibited activity as set forth herein; (x) use of the Service in a manner inconsistent with the Documentation; (y) use of the Service in combination with any other product or service not provided by Workday; or (z) use of the Service in a manner not otherwise contemplated by this Agreement. If Customer is enjoined from using the Service or Workday reasonably believes it will be enjoined, Workday shall have the right, at its sole option, to obtain for Customer the right to continue use of the Service or to replace or modify the Service so that it is no longer infringing. If neither of the foregoing options is reasonably available to Workday, then use of the Service may be terminated at either party's option and Workday's sole liability shall be to refund any prepaid fees for the Service that were to be provided after the effective date of termination.

### **8. Limitation of Liability.**

**8.1 LIMITATION OF LIABILITY.** TO THE MAXIMUM EXTENT PERMITTED BY LAW AND EXCEPT WITH RESPECT TO (i) WORKDAY'S INDEMNIFICATION OBLIGATIONS IN SECTION 7, (ii) CLAIMS FOR BODILY INJURY, DEATH OR DAMAGE TO TANGIBLE PERSONAL PROPERTY TO THE EXTENT RESULTING FROM WORKDAY'S ACTIONS, (iii) RECKLESS MISCONDUCT, GROSS NEGLIGENCE, WILLFUL MISCONDUCT AND/OR FRAUD, (iv) WORKDAY'S REMEDIATION OBLIGATIONS IN SECTION 5.3; OR (v) CUSTOMER'S PAYMENT OBLIGATIONS,

IN NO EVENT SHALL EITHER PARTY'S (OR WORKDAY'S AFFILIATES' OR THIRD PARTY LICENSORS') AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER IN CONTRACT, TORT OR OTHERWISE, EXCEED THE FEES ACTUALLY PAID OR PAYABLE BY CUSTOMER UNDER THIS AGREEMENT DURING THE IMMEDIATELY PRECEDING TWENTY-FOUR (24) MONTH PERIOD FOR THE SERVICE FROM WHICH THE CLAIM AROSE (OR, FOR A CLAIM ARISING BEFORE THE SECOND ANNIVERSARY OF THE EFFECTIVE DATE, THE AMOUNT PAID OR PAYABLE FOR THE FIRST TWENTY-FOUR (24) MONTH PERIOD)

**8.2 EXCLUSION OF DAMAGES.** EXCEPT WITH RESPECT TO AMOUNTS TO BE PAID BY EITHER PARTY PURSUANT TO A COURT AWARD (OTHER THAN A DEFAULT JUDGMENT) OR SETTLEMENT AS WELL AS THE DEFENSE COSTS UNDER THE INDEMNIFICATION OBLIGATIONS NO MATTER HOW SUCH DAMAGES MAY BE CHARACTERIZED, IN NO EVENT SHALL EITHER PARTY HAVE ANY LIABILITY TO THE OTHER PARTY FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, HOWEVER CAUSED, OR FOR ANY LOST PROFITS, LOSS OF USE, COST OF DATA RECONSTRUCTION, COST OR PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, WHETHER IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, OR IN ANY WAY CONNECTED WITH THE SERVICE, INCLUDING BUT NOT LIMITED TO THE USE OR INABILITY TO USE THE SERVICE, ANY INTERRUPTION, INACCURACY, ERROR OR OMISSION, EVEN IF THE PARTY FROM WHICH DAMAGES ARE BEING SOUGHT OR SUCH PARTY'S LICENSORS OR SUBCONTRACTORS HAVE BEEN PREVIOUSLY ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES. CUSTOMER WILL NOT ASSERT THAT ITS PAYMENT OBLIGATIONS AS SET FORTH IN AN ORDER FORM ARE EXCLUDED AS WORKDAY'S LOST PROFITS.

**8.3 DIRECT DAMAGES.** SUBJECT TO SECTION 8.1 AND NOTWITHSTANDING SECTION 8.2 ABOVE, THE PARTIES AGREE THAT WITH RESPECT TO WORKDAY'S BREACH OF ITS OBLIGATIONS SET FORTH IN THIS AGREEMENT, THE FOLLOWING SHALL BE CONSIDERED DIRECT DAMAGES AND WORKDAY SHALL REIMBURSE CUSTOMER FOR REASONABLE COSTS AND EXPENSES ACTUALLY PAID TO THIRD PARTIES FOR: (i) FINES AND PENALTIES IMPOSED BY GOVERNMENTAL AUTHORITY ARISING FROM SUCH BREACH; AND (iii) LEGAL FEES, INCLUDING REASONABLE ATTORNEY'S FEES, TO DEFEND AGAINST THIRD PARTY CLAIMS ARISING FROM SUCH BREACH AND FOR CLAIMS DEFENDED BY CUSTOMER, AMOUNTS PAID TO AFFECTED THIRD PARTIES AS DAMAGES OR SETTLEMENTS ARISING FROM SUCH BREACH.

## **MASTER SUBSCRIPTION AGREEMENT**

### **9. Term and Termination.**

**9.1 Term of Agreement.** The Term of this Agreement commences on the Effective Date and continues until the stated term in all Order Forms has expired or has otherwise been terminated, unless otherwise extended pursuant to the written agreement of the parties. Subscriptions to the Service commence on the date, and are for a period, as set forth in the applicable Order Form.

**9.2 Termination.** Either party may terminate this Agreement (i) upon thirty (30) days prior written notice to the other party of a material breach by the other party if such breach remains uncured at the expiration of such notice period; or (ii) immediately in the event the other party becomes the subject of a petition in bankruptcy or any other proceeding relating to insolvency, receivership, liquidation or assignment for the benefit of creditors. In the event the Agreement is terminated, all Order Forms are simultaneously terminated. Upon any termination by Customer pursuant to this section, Workday shall refund Customer any prepaid fees for the affected Service that were to be provided after the effective date of termination.

**9.3 Effect of Termination.** Upon any termination of this Agreement, Customer shall, as of the date of such termination, immediately cease accessing and otherwise utilizing the applicable Service (except as permitted under the section entitled "Retrieval of Customer Data") and Workday Confidential Information. Termination for any reason shall not relieve Customer of the obligation to pay any undisputed fees accrued or due and payable to Workday prior to the effective date of termination and termination for any reason other than for uncured material breach by Workday shall not relieve Customer of the obligation to pay all future amounts due under all order forms.

**9.4 Termination for Lack of Fiscal Funding.** Customer is a local governmental entity that relies on funding allocated at the state and local level to fund the Service in the Agreement. Customer intends to continue the Agreement for its entire term and to satisfy its obligations thereunder. For each succeeding fiscal period: (a) Customer agrees to include in its budget request appropriations sufficient to cover Customer's obligations under the Agreement; (b) Customer agrees to use reasonable and lawful means to secure these appropriations. If sufficient funds are not appropriated to Customer for payment under this Agreement for any future fiscal period then Customer may terminate the Agreement by giving Workday not less than thirty (30) days prior written notice. Upon termination Customer will remit all amounts due and all costs reasonably incurred by through the date of termination and, to the extent of lawfully available funds, through the end of the then current fiscal period. Upon request by Workday, Customer shall identify to Workday the extent to which funds have been allocated for individual Order Forms; Customer will not be obligated to make payments for services or amounts incurred after the end of the current fiscal period. There is no penalty to the Customer in the event this provision applies.

**9.5 Retrieval of Customer Data.** Upon written request by Customer made prior to any expiration or termination of this Agreement, Workday will make Customer Data available to Customer through the Service solely for purposes of Customer retrieving Customer Data for a period of up to sixty (60) days after such request is received by Workday. After such sixty (60) day period, Workday will have no obligation to maintain or provide any Customer Data and shall thereafter, unless legally prohibited, delete all Customer Data by deletion of Customer's Tenant; provided, however, that Workday will not be required to remove copies of the Customer Data from its backup media and servers until such time as the backup copies are scheduled to be deleted, provided further that in all cases Workday will continue to protect the Customer Data in accordance with this Agreement. The foregoing deletion obligation will be subject to any retention obligations imposed on Workday by Law. Additionally, during the Term of the Agreement, Customers may extract Customer Data using Workday's standard web services.

**9.6 Transition Period before Final Termination.** Upon any termination of the Agreement, Workday shall, upon Customer's request, continue to provide the Service to Customer (except where Workday is enjoined) pursuant to the terms of this Agreement for a transitional period of up to three (3) months (the "Transition Period"). Access to the Service during the Transition Period will be subject to the fees set out in the applicable Order Form, prorated on a monthly basis and payable in advance, based on the annual fees for the Service during calendar period of the Transition Period if the Order Form has fees for such calendar period, and for any portion of the Transition Period not covered by pre-negotiated fees on the Order Form, based upon the annual fees for the twelve month period immediately preceding the termination date plus an additional five percent (5%). During the Transition Period, Workday will provide cooperation and assistance as Customer may reasonably request to support an orderly transition to another provider of similar software, services, or to Customer's internal operations. Such cooperation and assistance will be limited to consulting regarding the Workday Service and will be subject to a fee based on Workday's then-current rates for consulting services and such services will be set out in a statement of work to a professional services agreement between the parties. Notwithstanding the foregoing, in the event of termination of this Agreement by Workday for breach by Customer,



## **MASTER SUBSCRIPTION AGREEMENT**

Workday may withhold the provision of transition Services and condition further performance upon (i) payment of undisputed fees then owed, (ii) prepayment of fees for further services, and (iii) receipt by Workday of an officer's certificate from Customer certifying ongoing compliance with the terms of this Agreement during the Transition Period.

**9.7 Surviving Provisions.** The following provisions of this Agreement shall not survive and will have no further force or effect following any termination or expiration of this Agreement: (i) subsection (i) of Section 1.1 "Workday Obligations"; (ii) Section 3.2 "Grant of Rights"; and (iii) any Order Form(s). All other provisions of this Agreement shall survive any termination or expiration of this Agreement.

### **10. General Provisions.**

**10.1 Relationship of the Parties.** The parties are independent contractors. This Agreement does not create nor is it intended to create a partnership, franchise, joint venture, agency, fiduciary or employment relationship between the parties. There are no third-party beneficiaries to this Agreement. Each party shall solely be responsible for payment of all federal, state and local income tax withholding, employment and disability insurance and Social Security and other similar taxes that in each and every case it is required by applicable Law to pay with respect to any compensation or benefits provided by the parties to their respective employees.

**10.2 Insurance.** Workday will maintain during the entire Term of this Agreement, at its own expense, the types of insurance coverage specified below, on standard policy forms and with insurance companies with at least an A.M. Best Rating of A- VII authorized to do business in the jurisdictions where the Workday services are to be performed.

- (a) Workers' Compensation insurance prescribed by applicable local law and Employers Liability insurance with limits not less than \$1,000,000 per accident/per employee. This policy shall include a waiver of subrogation against Customer
- (b) Business Automobile Liability covering all vehicles that Workday owns, hires or leases with a limit of no less than \$1,000,000 (combined single limit for bodily injury and property damage) for each accident.
- (c) Commercial General Liability insurance including Contractual Liability Coverage, with coverage for products liability, completed operations, property damage and bodily injury, including death, with an aggregate limit of no less than \$2,000,000. This policy shall name Customer as an additional insured with respect to the provision of services provided under this Agreement. This policy shall include a waiver of subrogation against Customer.
- (d) Technology Professional Liability Errors & Omissions policy (which includes Cyber Risk coverage and Computer Security and Privacy Liability coverage) with a limit of no less than \$10,000,000 per occurrence and in the aggregate, covering all acts, errors, omissions, negligence, network security and privacy risks, including but not limited to unauthorized access, failure of security, breach of privacy perils, wrongful disclosure, or other negligence in the handling of confidential information, privacy perils, and including coverage for related regulatory defense and penalties; data breach expenses, including but not limited to consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services in the performance of services for Customer or on behalf of Customer hereunder.
- (e) Crime policy with a limit of no less than \$5,000,000 per occurrence and in the aggregate.
- (f) Excess Liability/Umbrella coverage with a limit of no less than \$9,000,000 per occurrence and in the aggregate (such limit may be achieved through increase of limits in underlying policies to reach the level of coverage shown here). This policy shall name Customer as an additional insured with respect to the provision of services provided under this Agreement. This policy shall include a waiver of subrogation against Customer.

Upon Customer's request, Workday agrees to deliver to Customer a certificate(s) of insurance evidencing the coverage specified in this Section. Such certificate(s) will contain a thirty (30) day prior notice of cancellation provision. Workday will be solely responsible for any deductible or self-insurance retentions. Such insurance coverage will be primary and any other valid insurance existing will be in excess of such primary insurance policies. The required insurance coverage and limits of liability set forth above



## MASTER SUBSCRIPTION AGREEMENT

shall not be construed as a limitation or waiver of any potential liability of satisfaction of any indemnification/hold harmless obligation of Workday.

**10.3 Notices.** All notices under this Agreement shall be in writing and shall be deemed to have been given upon: (i) personal delivery; (ii) the third business day after first class mailing; or (iii) the second business day after sending by facsimile with telephonic confirmation of receipt. Notices shall be addressed in accordance with the table below. Each party may modify its recipient of notices by providing notice pursuant to this Agreement.

<u>To Workday:</u>	<u>To Customer:</u>
Workday, Inc.	City of Vancouver
Attn. General Counsel	
6230 Stoneridge Mall Road	Attn: Scott Cooley, IT Application Services Manager
Pleasanton, CA	P.O. Box 1995
94588	Vancouver Washington 98668

**10.4 Waiver and Cumulative Remedies.** No failure or delay by either party in exercising any right under this Agreement shall constitute a waiver of that right or any other right. Other than as expressly stated herein, the remedies provided herein are in addition to, and not exclusive of, any other remedies of a party at law or in equity.

**10.5 Force Majeure.** Neither party shall be liable for any failure or delay in performance under this Agreement for causes beyond that party's reasonable control and occurring without that party's fault or negligence, including, but not limited to, acts of God, acts of government, flood, fire, civil unrest, and/or acts of terror. Dates by which performance obligations are scheduled to be met will be extended for a period of time equal to the time lost due to any delay so caused.

**10.6 Assignment.** Neither party may assign any of its rights or obligations hereunder, whether by operation of law or otherwise, without the prior written consent of the other party (which consent shall not be unreasonably withheld). Notwithstanding the foregoing, either party may assign this Agreement in its entirety (including all Order Forms) without consent of the other party in connection with a merger, acquisition, corporate reorganization, or sale of all or substantially all of its assets so long as the assignee agrees to be bound by all of the terms of this Agreement and all undisputed past due fees are paid in full. Any attempt by a party to assign its rights or obligations under this Agreement other than as permitted by this section shall be void and of no effect. Subject to the foregoing, this Agreement shall bind and inure to the benefit of the parties, their respective successors and permitted assigns.

**10.7 Governing Law; Waiver of Jury Trial.** This Agreement shall be governed exclusively by the internal laws of the State of Washington, without regard to its conflicts of laws rules. The parties agree that the rights and obligations of the Parties under this Agreement shall not be governed by the provisions of the 1980 United Nations Convention on Contracts for the International Sale of Goods. Venue for any legal action relating to this Agreement will be in Clark County, Washington for any state court actions and the Western District of Washington for Federal court actions. Each party hereby waives any right to jury trial in connection with any action or litigation in any way arising out of or related to this Agreement.

**10.8 Export.** Each party shall comply with the export laws and regulations of the United States and other applicable jurisdictions in providing and using the Service. Without limiting the generality of the foregoing, Customer shall not make the Service available to any person or entity that: (i) is located in a country that is subject to a U.S. government embargo; (ii) is listed on any U.S. government list of prohibited or restricted parties; or (iii) is engaged in activities directly or indirectly related to the proliferation of weapons of mass destruction.



## **MASTER SUBSCRIPTION AGREEMENT**

**10.9 Federal Government End Use Provisions (if applicable).** Workday provides the Service, including related software and technology, for federal government end use solely in accordance with the following: Government technical data and software rights related to the Service include only those rights customarily provided to the public as defined in this Agreement. This customary commercial license is provided in accordance with FAR 12.211 (Technical Data) and FAR 12.212 (Software) and, for Department of Defense transactions, DFAR 252.227-7015 (Technical Data – Commercial Items) and DFAR 227.7202.3 (Rights in Commercial Computer Software or Computer Software Documentation). If a government agency has a “need for” right not conveyed under these terms, it must negotiate with Workday to determine whether there are acceptable terms for transferring additional rights. A mutually acceptable addendum specifically conveying such rights must be executed by the parties in order to convey such rights beyond those set forth herein.

**10.10 Use by other Entities.** The parties agree that other public entities, including state agencies, local governments, local school systems, courts, and public institutions of higher education may utilize the terms of this Agreement to purchase services from Workday. The parties understand that pricing is specific to utilization metrics and the choice of Workday Service components and that other entities will not necessarily pay the same price as Customer. Any such other entity shall be responsible for complying with its relevant procurement rules and regulations. Customer will in no way whatsoever incur any liability to Workday, such entities, or others in relation to specifications, delivery, payment, or any other aspect of actions or omissions by such entities. An entity wishing to utilize this Agreement will execute its own Order Form which references this Agreement and incorporates it by reference or may, at its option, choose to have a copy of this Agreement executed in its own name.

**10.11 Publicity.** Except as set forth herein, Workday shall not use Customer's name, logos or trademarks, without the prior written consent of Customer, in any written press releases, advertisements and/or marketing materials. Notwithstanding the foregoing, Workday may use Customer's name and logo in lists of customers and on its website, including, but not limited to, Workday's community portal; however, such usage shall not be classified as an advertisement but only identification as an entity who receives the Service from Workday. For the avoidance of doubt, this section does not prohibit Workday from referencing Customer's name in a verbal format.

### **10.12 Miscellaneous.**

(a) **Entire Agreement.** This Agreement, including all exhibits and addenda hereto and all Order Forms, constitutes the entire agreement between the parties with respect to the subject matter hereof. In the event of a conflict, the provisions of an Order Form shall take precedence over provisions of the body of this Agreement and over any other Exhibit or Attachment. This Agreement supersedes all prior and contemporaneous agreements, proposals or representations, written or oral, concerning its subject matter. No modification, amendment, or waiver of any provision of this Agreement shall be effective unless in writing and signed by the party against whom the modification, amendment or waiver is to be asserted. If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to law, the provision shall be modified by the court and interpreted so as best to accomplish the objectives of the original provision to the fullest extent permitted by law, and the remaining provisions of this Agreement shall remain in effect. Notwithstanding any language to the contrary therein, no terms or conditions stated in a Customer purchase order or in any other Customer order documentation shall be incorporated into or form any part of this Agreement, and all such terms or conditions shall be null and void. This Agreement may be executed in counterparts, which taken together shall form one binding legal instrument. All agreements and signatures to said agreements must be in non-electronic, written form.

(b) **E-Verify.** Workday agrees that it participates (and will continue to participate during the Term) in the federal E-Verify program (or similar verification program), the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a.

(c) **Debarment.** Workday acknowledges, by contract signature that, at the date of contract execution, Workday is not under suspension or debarment by the State of Washington, any federal agency or any other individual state government. The parties agree that this section shall be considered a material term of this Agreement.

(d) **Nondiscrimination.** Customer is an equal opportunity employer. Each party will comply, in the running of its business, with all applicable state and federal laws, rules, regulations, and executive orders governing equal employment opportunity, immigration, nondiscrimination, and workplace safety, including but not limited to the Americans with Disabilities Act and drug-free workplace laws. The parties agree that this section shall be considered a material term of this Agreement.

## **MASTER SUBSCRIPTION AGREEMENT**

(e) **Right to Review.** During the Term of this Agreement but not more frequently than once per year, Workday shall make available to Customer or its chosen independent third party auditor, for examination only those financial books, records, and files of Workday that are necessary for Customer to verify Workday's charges for the Service provided under any Order Form(s) issued hereunder. Workday shall maintain complete and accurate records as is reasonably necessary to substantiate such charges for six (6) years after the charges have been invoiced. Customer shall provide Workday with reasonable notice prior to conducting such financial audit and the parties shall mutually agree upon the timing of such financial audit which shall be conducted in a manner that is not disruptive to Workday's business operations. Customer will pay for all costs related to such audits. Such right shall not extend to or require on-site audits of Workday's operations or third party hosting facilities, disclosure of any confidential information of any other Workday customer, or Workday's payroll records or other financial records not related to Service fees invoiced to Customer. Notwithstanding the foregoing, Workday understands and agrees that this Agreement is subject to review by any Federal or State auditor.

### **10.13 Compliance.**

(a) For purposes of added clarity and in accordance with the obligations already set forth in the first sentence of Section 6.1 above, each party agrees, in connection with its performance of this Agreement, that it shall comply with all Laws applicable to it.

(b) **Source Code Escrow.** Customer will be named as a beneficiary under the escrow agreement ("Escrow Agreement") between Workday and Iron Mountain ("Escrow Agent") during the Term of the Agreement. The Escrow Agreement shall govern the maintenance and release of such source code, and Workday agrees to update, enhance, or otherwise modify such escrowed source code promptly upon each release of a new version of the Service. Customer agrees to pay the costs of being a named a beneficiary directly to the Escrow Agent. Customer's right to access and use the source code is subject to Customer's continued compliance in all material respects with the Agreement. Customer shall treat the Source Code as Workday Confidential Information and shall provide the Source Code the security and protection required by this Agreement. Under all circumstances, the Source Code shall remain the property of Workday, and Customer shall only use the Source Code in conjunction with, and to maintain the software to operate the Service consistent with and through the end of the Term of this Agreement, and for no other purpose.

(c) **City Business and Occupation License.** In most cases, contractors will be required to get a business license when contracting with the City, unless allocable exemptions apply. Workday shall obtain a business license if required pursuant to Vancouver Municipal Code Chapter 5.04 and applicable Law.

### **11. Definitions.**

**"Affiliate"** means any entity which directly or indirectly controls, is controlled by, or is under common control by either party. For purposes of the preceding sentence, "control" means direct or indirect ownership or control of more than 50% of the voting interests of the subject entity. For Customer, "Affiliate" also means any special district or local government entity within Clark County, Washington to which Customer provides services.

**"Agreement"** means this Master Subscription Agreement, including the Workday Production Support and Service Level Availability Policy (as may be updated from time to time), any exhibits or attachments hereto, and any fully executed Order Form.

**"Authorized Parties"** means Customer's or an authorized Affiliate's Employees and third party providers authorized to access Customer's Tenants and/or to receive Customer Data by Customer (i) in writing, (ii) through the Service's security designation, or (iii) by system integration or other data exchange process.

**"Confidential Information"** means (a) any software utilized by Workday in the provision of the Service and its respective source code; (b) Customer Data; (c) each party's business or technical information, including but not limited to the Documentation, training materials, any information relating to software plans, designs, costs, prices and names, finances, marketing plans, business opportunities, personnel, research, development or know-how that is designated by the disclosing party as "confidential" or "proprietary" or the receiving party knows or should reasonably know is confidential or proprietary; and (d) absent a compelled disclosure under Section 4.3, the terms, conditions and pricing of this Agreement (but not its existence or parties).



## **MASTER SUBSCRIPTION AGREEMENT**

**"Customer Data"** means the electronic data or information submitted by Customer or Authorized Parties to the Service.

**"Customer Input"** means suggestions, enhancement requests, recommendations or other feedback provided by Customer, its Employees and Authorized Parties relating to the operation or functionality of the Service.

**"Documentation"** means Workday's electronic Administrator Guide for the Service (formerly known as the User Guide), which may be updated by Workday from time to time. Any such updates will not materially diminish the functionality and/or performance of the Service.

**"Employee" or "Worker"** means actual or prospective employees, students, consultants, contingent workers, independent contractors, and retirees of Customer and its Affiliates whose active business record(s) are or may be managed by the Service and for which a subscription to the Service has been purchased pursuant to an Order Form. The Order Form defines how the Employee count is calculated for subscription fee purposes.

**"Improvements"** means all improvements, updates, enhancements, error corrections, bug fixes, release notes, upgrades and changes to the Service and Documentation, as developed by Workday and made generally available for Production use without a separate charge to Customers.

**"Intellectual Property Rights"** means any and all common law, statutory and other industrial property rights and intellectual property rights, including copyrights, trademarks, trade secrets, patents and other proprietary rights issued, honored or enforceable under any applicable laws anywhere in the world, and all moral rights related thereto.

**"Law"** means any local, state, national and/or foreign law, treaties, and/or regulations applicable to a respective party.

**"Malicious Code"** means viruses, worms, time bombs, Trojan horses and other malicious code, files, scripts, agents or programs.

**"Order Form"** means the separate ordering documents under which Customer subscribes to the Workday Service pursuant to this Agreement that have been fully executed by the parties.

**"Personal Data"** means any information that is related to an identified or identifiable individual and has been provided by Customer or its Affiliates as Customer Data within the Workday Service to enable Workday to Process the data on its behalf.

**"Production"** means the Customer's or an Employee's use of or Workday's written verification of the availability of the Service (i) to administer Employees; (ii) to generate data for Customer's books/records; or (iii) in any decision support capacity.

**"Security Breach"** means (i) any actual or reasonably suspected unauthorized use of, loss of, access to or disclosure of, Customer Data; provided that an incidental disclosure of Customer Data to an Authorized Party or Workday, or incidental access to Customer Data by an Authorized Party or Workday, where no reasonable suspicion exists that such disclosure or access involves theft, or is fraudulent, criminal or malicious in nature, shall not be considered a "Security Breach" for purposes of this definition, unless such incidental disclosure or incidental access triggers a notification obligation under any applicable Law and (ii) any security breach (or substantially similar term) as defined by applicable Law.

**"Service"** means Workday's software-as-a-service applications as described in the Documentation and subscribed to under an Order Form.

**"SLA"** means the *Workday Production Support and Service Level Availability Policy*, which may be updated by Workday from time to time. No update shall materially diminish Workday's responsibilities under the Workday Production Support and Service Level Availability Policy.

**"Subscription Service Fee"** means all amounts invoiced and payable by Customer for the Service.

**"Tenant"** means a unique instance of the Service, with a separate set of customer data held by Workday in a logically separated database (i.e., a database segregated through password-controlled access).



## **MASTER SUBSCRIPTION AGREEMENT**

**“Tenant Base Name”** is a naming convention that will be used in all of the tenant URLs provided by Workday, as specified in Customer’s initial Order Form subscribing to the Service, and which shall remain constant throughout the Term.

**“Term”** has the meaning set forth in Section 9.1.



## MASTER SUBSCRIPTION AGREEMENT

THE VALIDITY OF THIS AGREEMENT IS CONDITIONED ON WORKDAY RECEIVING A FULLY SIGNED COPY OF THIS AGREEMENT NO LATER THAN 5:00 PM PACIFIC TIME ON AUGUST 25, 2017. TO DELIVER THE AGREEMENT TO WORKDAY, PLEASE PROVIDE A SIGNED COPY TO YOUR MAIN WORKDAY CONTACT.

IN WITNESS WHEREOF, the parties' authorized signatories have duly executed this Agreement.

**CITY OF VANCOUVER,**  
A municipal corporation

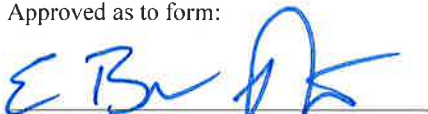
  
Eric Holmes, City Manager

Attest:

  
Lloyd Tyler, City Clerk  
By: ~~Carrie Lewellen~~, Deputy City Clerk

Date:

Approved as to form:

  
E. Bronson Potter, City Attorney

**WORKDAY, INC.**

  
Signature:

Carol Richwood, VP, Finance  
By: Printed Name / Title

Date: July 14, 2017

Approved as to Legal Form by:

Katie Hauck  
Katie Hauck (Jul 13, 2017)



## **MASTER SUBSCRIPTION AGREEMENT**

### **EXHIBIT A WORKDAY SLA SERVICE CREDIT**

In the event of a failure by Workday to meet the Service Availability and Service Response minimums as set forth in the SLA, as Customer's sole and exclusive remedy, at Customer's request, Workday shall provide service credits in accordance with the following:

- a. First month of missed availability or response minimum: The parties shall meet to discuss possible corrective actions
- b. Second consecutive month: 10% of the Subscription Fee paid for the applicable month for the affected Service application
- c. Third consecutive month: 20% of the Subscription Fee paid for the applicable month for the affected Service application
- d. Fourth consecutive month: 30% of the Subscription Fee paid for the applicable month for the affected Service application
- e. Fifth consecutive month: 40% of the Subscription Fee paid for the applicable month for the affected Service application
- f. Sixth consecutive month: 50% of the Subscription Fee paid for the applicable month for the affected Service application
- g. More than six consecutive months: Within thirty (30) days of such failure Customer shall have the option to terminate the entire Agreement and upon such termination Customer shall receive a refund of all prepaid subscription fees that are unearned as of the date such termination is effective.
- h. If more than one of the above (a through g) is triggered, Customer will be eligible for the greater amount for the applicable month only. Credits shall be deducted from subsequent invoices for subscription fees or other fees or, upon expiration or termination of the Agreement, paid to Customer directly.



## **MASTER SUBSCRIPTION AGREEMENT**

### **EXHIBIT B**

#### **Workday Production Support and Service Level Availability Policy (SLA)**

*[see Workday Production Support and Service Level Availability Policy (SLA) beginning on the following page]*



**DATA PROCESSING EXHIBIT**

This Data Processing Exhibit (“DPE”) forms part of the Master Subscription Agreement between Workday and Customer (the “Agreement”) under which Workday provides the Workday Service to Customer.

**Designated Data Center Location:** United States

**1. Definitions**

Unless otherwise defined below, all capitalised terms have the meaning given to them in the Agreement and/or exhibits thereto.

“**Additional Products**” means products, services, and applications (whether made available by Workday or a third party) that are not part of the Service.

“**Affiliates**” has the same meaning as in the Agreement.

“**Contingent Worker**” for the purposes of this DPE only, means: (i) an individual (who is not a direct employee of Workday or a Workday Affiliate) that is directly engaged by Workday or a Workday Affiliate (not employed through another entity) to perform any of Workday’s obligations under the Agreement or this DPE; or (ii) an individual who is engaged by Workday or a Workday Affiliate to perform any of Workday’s obligations under the Agreement or DPE but employed through a staffing firm entity where such entity is in the business of providing staffing augmentation but does not undertake responsibility for the direct supervision of the individual. For the purpose of this DPE, Contingent Workers shall be treated like Workday employees and Workday shall be liable for the acts and omissions of any Contingent Workers to the same extent as if the acts or omissions were performed by Workday.

“**Customer**” has the same meaning as in the Agreement.

“**Customer Audit Program**” means Workday’s customer audit program where, subject to the then current terms of the program, Workday shall provide, and Workday customers shall pay for, an audit relating to the Service on an annual basis for each year specified in the relevant order under the program (“**Audit Program Order**”). At any time during the term of the Agreement, Customer may elect to execute an Audit Program Order.

“**Customer Data**” has the same meaning as in the Agreement.

“**Data Controller**” means the entity which alone or jointly with others, determines the purposes and means of the Processing of Personal Data.

“**Data Processor**” means the entity which Processes Personal Data on behalf of the Data Controller.

“**Data Protection Directive**” means the Data Protection Directive 95/46/EC, or any successor legislation imposing equivalent obligations, including the General Data Protection Regulation (EU) 2016/679.

“**Data Protection Laws**” means all data protection laws applicable to the Processing of Personal Data under this DPE, including local, state, national and/or foreign laws, treaties, and/or regulations, laws of the European Union, the European Economic Area and implementations of the Data Protection Directive into national law.

“**Data Subject**” means the person to whom the Personal Data relates.

“**EEA**” means the European Economic Area.

“**Personal Data**” means any Customer Data that is related to an identified or identifiable person.

“**Processing or Process**” means any operation or set of operations concerning Personal Data, including the collection, recording, organization, storage, updating, modification, retrieval, consultation, use, dissemination by means of transmission, distribution or making available in any other form, merging, linking as well as blocking, erasure or destruction of Personal Data.

“**Service**” has the same meaning as in the Agreement.



## DATA PROCESSING EXHIBIT

**“Subprocessor”** means a Workday Affiliate or third-party entity which is not a Contingent Worker engaged by Workday or a Workday Affiliate as a Data Processor. For the avoidance of doubt, a co-location data center facility with physical access to the hardware containing Customer Data is not a Subprocessor under this DPE provided that the co-location data center and its personnel are not provided access to the Customer Data stored on such hardware.

**“Valid Transfer Mechanism”** means a data transfer mechanism recognized by the European Commission as a legitimate basis for the transfer of Personal Data outside the EEA.

### **2. Processing Personal Data**

**2.1 Scope and Role of the Parties.** This DPE applies to the Processing of Personal Data by Workday to provide the Service, as described in the Agreement. For the purposes of this DPE, Customer and its Affiliates are the Data Controller(s) and Workday is the Data Processor, Processing Personal Data on Customer’s behalf.

**2.2 Instructions for Processing.** Workday shall Process Personal Data in accordance with and only to the extent required by Customer’s instructions. The Agreement and this DPE are Customer’s instructions to Workday for Processing Personal Data in connection with the Service. Customer may provide additional instructions to Workday to the extent such instructions are consistent with the terms and scope of the Agreement and this DPE.

**2.3 Extra-Contractual Instructions.** If Customer’s additional instructions are not consistent with the terms or the scope of the Agreement and this DPE, they are considered **“Extra-Contractual Instructions.”** Customer agrees Workday is not obligated to perform Extra-Contractual Instructions. Customer further agrees Workday may require negotiation of additional terms and fees to perform Extra-Contractual Instructions.

**2.4 Relief from Liability.** Customer agrees that Workday shall be entitled to relief from liability in circumstances where a Data Subject makes a claim or complaint with regards to Workday’s actions to the extent that such actions directly result from following Customer’s instructions.

**2.5 Compliance with Laws.** Workday shall comply with all Data Protection Laws applicable to Workday in its role as a Data Processor Processing Personal Data. For the avoidance of doubt, Workday is not responsible for complying with Data Protection Laws applicable to Customer or Customer’s industry such as those not generally applicable to online service providers. Customer shall comply with all Data Protection Laws applicable to Customer as a Data Controller.

### **3. Subprocessors**

**3.1 Use of Subprocessors.** Customer acknowledges and agrees that Workday and Workday Affiliates may engage Subprocessors to Process Personal Data. Any such Subprocessor will be permitted to Process Personal Data only to deliver the services Workday or the Workday Affiliate has retained them to provide, and will be prohibited from Processing Personal Data for any other purpose. Prior to giving any Subprocessor access to Personal Data, Workday or the Workday Affiliate shall ensure that such Subprocessor has entered into a written agreement requiring that the Subprocessor abide by terms no less protective than those provided in this DPE. Workday shall be liable for the acts and omissions of any Subprocessors to the same extent as if the acts or omissions were performed by Workday.

**3.2 Notification of New Subprocessors.** Workday makes available to Customer through Workday’s customer website a list of Subprocessors authorized to Process Personal Data (**“Subprocessor List”**) and provides Customer with a mechanism to obtain notice of any updates to the Subprocessor List. At least thirty (30) days prior to authorizing any new Subprocessor to Process Personal Data, Workday shall provide notice to Customer by updating the Subprocessor List. Upon Customer request, Workday will make available to Customer a summary of the data processing terms. For the avoidance of doubt, the data processing terms for Workday Affiliates are those set forth in this DPE.

**3.3 Subprocessor Objection Right.** To the extent Customer is established within the EEA or Switzerland, or where required by Data Protection Laws applicable to Customer, the terms of this Section 3.3 shall apply. If Customer has reasonable grounds to object to Workday’s use of a new Subprocessor then Customer shall promptly, but in no case later than fourteen (14) days following Workday’s notification pursuant to Section 3.2 above, provide notice to Workday. Should Workday choose to retain the objected-to Subprocessor, Workday will notify the Customer at least fourteen (14) days before authorizing the Subprocessor to Process Personal Data and then the Customer may immediately discontinue using the relevant portion(s) of the Service and may terminate the relevant portion(s) of the Service within



## **DATA PROCESSING EXHIBIT**

thirty (30) days. Upon any termination by Customer pursuant to this section, Workday shall refund Customer any prepaid fees for the terminated portion(s) of the Service that were to be provided after the effective date of termination.

### **4. Data Center Location and Data Transfers**

**4.1 Storage of Customer Data.** Customer Data will be housed in data centers located in the Designated Data Center Location set forth herein unless the parties otherwise expressly agree in writing.

**4.2 Access to Customer Data.** To provide the Service as described in the Agreement, Workday and its Subprocessors will only access Customer Data from (i) countries in the EEA, (ii) countries formally recognized by the European Commission as providing an adequate level of data protection ("**Adequate Countries**") and (iii) the United States provided Workday makes available to Customer a Valid Transfer Mechanism. When Workday or its Subprocessors access Customer Data from outside the Designated Data Center Location for the purposes set forth above, Customer agrees that Customer Data may be temporarily stored in that country; however, Customer Data will also continue to be stored in a data center in the Designated Data Center Location.

**4.3 Privacy Shield.** Workday, Inc. is self-certified to the EU-U.S. Privacy Shield Framework maintained by the U.S. Department of Commerce ("**Privacy Shield**") and complies with its requirements for handling, collecting and transferring Personal Data from covered jurisdictions to the United States in connection with the Service. Workday will remain certified for the term of the Agreement provided that the Privacy Shield is recognized as a Valid Transfer Mechanism.

**4.4 Additional Transfer Mechanisms.** If a data transfer mechanism Workday offers its customers is no longer recognized as a Valid Transfer Mechanism, and/or where Workday commits to a substitute or additional Valid Transfer Mechanism, Workday shall notify Customer of the Valid Transfer Mechanisms Workday is offering its customers through a communication to Workday's general customer base, such as notification through Workday's customer website.

### **5. Rights of Data Subjects**

**5.1 Correction, Deletion or Blocking.** Workday will, as necessary to enable Customer to meet its obligations under applicable Data Protection Laws, either (i) provide Customer with the ability to correct, delete or block Personal Data within the Service; or (ii) make such corrections, deletions, or blockages on Customer's behalf if such functionality is not available within the Service (with the choice between (i) and (ii) being at Workday's discretion).

**5.2 Access to Personal Data.** To the extent information relating to a Data Subject is not accessible to Customer through the Service, Workday will, as necessary to enable Customer to meet its obligations under applicable Data Protection Laws, provide reasonable assistance to make such information available to Customer through the Workday support and Customer Audit Program.

**5.3 Handling of Data Subject Requests.** For the avoidance of doubt, Customer is responsible for responding to Data Subject requests for access, correction, deletion or blocking of that person's Personal Data ("**Data Subject Request**"). If Workday receives a Data Subject Request, Workday shall promptly redirect the Data Subject to Customer.

**5.4 Data Portability.** During the term of the Agreement, Customer may extract Customer Data in accordance with the relevant provisions of the Agreement

### **6. Government Access Requests**

Unless prohibited by applicable law or a legally-binding request of law enforcement, Workday shall promptly notify Customer of any request by government official, data protection supervisory authority or law enforcement authority for access to or seizure of Personal Data.

### **7. Workday Personnel**

Workday shall take reasonable steps to require screening of its personnel who may have access to Personal Data, and shall require such personnel to receive appropriate training on their responsibilities and sign confidentiality agreements with Workday. Such confidentiality obligations shall survive the termination of employment.



## **DATA PROCESSING EXHIBIT**

### **8. Security**

**8.1 Unauthorised Disclosure.** Workday shall promptly notify Customer of any unauthorised disclosure of Personal Data in accordance with the relevant provisions of the Agreement.

**8.2 Security Program.** Workday maintains a comprehensive, written information security program that contains administrative, technical, and physical safeguards that are appropriate to (i) the size, scope and type of Workday's business; (ii) the amount of resources available to Workday; (iii) the type of information that Workday will store; and (iv) the need for security and confidentiality of such information. Workday's security program will be maintained in accordance with the Security Exhibit attached to the Agreement.

### **9. Audit**

Customer agrees that, except as otherwise provided in this Section, Workday's then-current SOC 1 and SOC 2 audit reports (or comparable industry-standard successor reports) and/or Workday's ISO 27001 and ISO 27018 Certifications will be used to satisfy any audit or inspection requests by or on behalf of Customer, and Workday shall make such reports available to Customer. In the event that Customer, a regulator, or data protection authority requires additional information or an audit related to the Service, such information and/or audit shall be made available in accordance with Workday's Customer Audit Program.

### **10. Return and Deletion of Customer Data**

Workday shall return and delete Customer Data in accordance with the relevant provisions of the Agreement.

### **11. Additional Products**

Customer acknowledges that if it installs, uses, or enables Additional Products that interoperate with the Service but are not part of the Service itself, then by such actions Customer is instructing Workday to cause the Service to allow such Additional Products to access Personal Data as required for the interoperation of those Additional Products with the Service. Such separate Additional Products are not required to use the Service and may be restricted for use as determined by Customer's system administrator. This DPE does not apply to the Processing of Personal Data outside of the Service.

### **12. Additional European Terms**

To the extent Customer has Data Subjects in the EEA or Switzerland, the terms in this Section will apply.

**12.1 Duration of Data Processing.** The duration of Processing Personal Data shall be for the term of the Agreement.

**12.2 Scope and Purpose of Data Processing.** The scope and purpose of Processing of Personal Data is to perform the Service, as described in this DPE and the Agreement.

### **13. General Provisions**

**13.1 Customer Affiliates.** Customer is responsible for coordinating all communication with Workday on behalf of its Affiliates with regard to this DPE.

**13.2 Disclosure of DPE Terms.** Customer or its Affiliates may only disclose the terms of this DPE to a data protection regulatory authority to the extent required by law or regulatory authority, such as notifications or approvals. Furthermore, Customer shall take reasonable endeavours to ensure that data protection regulatory authorities do not make this DPE public, including:

- i. marking copies of this DPE as "Confidential and Commercially Sensitive";
- ii. requesting return of this DPE once the regulatory notification has been completed or approval granted; and
- iii. requesting prior notice and consultation before any disclosure of this DPE by the regulatory authority.



**DATA PROCESSING EXHIBIT**

**13.3 Termination.** The term of this DPE will end simultaneously and automatically with the termination of the Agreement, but Workday will continue to protect Personal Data in accordance with the terms of this DPE until all Personal Data is deleted from Workday's systems.

**13.4 Conflict.** This DPE is subject to the non-conflicting terms of the Agreement. With regard to the subject matter of this DPE, in the event of inconsistencies between the provisions of this DPE and the Agreement, the provisions of this DPE shall prevail with regard to the parties' data protection obligations.

**13.5 Customer Affiliate Enforcement.** Customer's Affiliates may enforce the terms of this DPE directly against Workday, subject to the following provisions:

- i. the Customer will bring any legal action, suit, claim or proceeding which that Affiliate would otherwise have if it were a party to the Agreement (each an "**Affiliate Claim**") directly against Workday on behalf of such Affiliate, unless if the applicable Data Protection Laws to which the relevant Affiliate is subject requires that the Affiliate itself bring or be party to such Affiliate Claim; and
- ii. for the purpose of any Affiliate Claim brought directly against Workday by Customer on behalf of such Affiliate in accordance with this Section, any losses suffered by the relevant Affiliate may be deemed to be losses suffered by Customer.

**13.6 Remedies.** Customer's remedies (including those of its Affiliates making an Affiliate Claim directly against Workday in accordance with Section 12.5 above) with respect to any breach by Workday of the terms of this DPE will be subject to any aggregate limitation of liability that applies to the Customer under the Agreement.

**13.7 Miscellaneous.** The section headings contained in this DPE are for reference purposes only and shall not in any way affect the meaning or interpretation of this DPE.



## Workday Production Support and Service Level Availability Policy (SLA)

Workday's Software as a Service ("Service") is based on a multi-tenanted operating model that applies common, consistent management practices for all customers using the service. This common operating model allows Workday to provide the high level of service reflected in our business agreements. This document communicates Workday's Production Support and Service Level Availability Policy ("SLA") with its customers. Capitalized terms, unless otherwise defined herein, shall have the same meaning as in the Workday Master Subscription Agreement.

### 1. Technical Assistance Terms:

Workday will provide Customer with 24x7x365 technical assistance in accordance with this SLA.

### 2. Service Availability:

Workday's Service Availability commitment for a given calendar month is 99.5%.

Service Availability is calculated per month as follows:

$$\left( \frac{\text{Total} - \text{Unplanned Outage} - \text{Planned Maintenance}}{\text{Total} - \text{Planned Maintenance}} \right) \times 100 \geq 99.5\%$$

#### Definitions:

- **Total** is the total minutes in the month
- **Unplanned Outage** is total minutes unavailable in the month outside of the Planned Maintenance window
- **Planned Maintenance** is total minutes of planned maintenance in the month.

Currently, Planned Maintenance is four (4) hours for weekly maintenance, plus four (4) hours for monthly maintenance, plus four (4) hours for quarterly maintenance. Workday's current weekly maintenance begins at 2:00 am (Eastern) on Saturday; monthly maintenance begins at 6:00 am (Eastern) on Saturday; and quarterly maintenance begins at 10:00 am (Eastern) on Saturday. All times are subject to change upon thirty (30) days' notice provided in the Workday Community (<https://community.workday.com>) and any such change shall not lengthen the duration of the associated maintenance window.

If actual maintenance exceeds the time allotted for Planned Maintenance it is considered an Unplanned Outage. If actual maintenance is less than time allotted for Planned Maintenance, that time is not applied as a credit to offset any Unplanned Outage time for the month.

The measurement point for Service Availability is the availability of the Workday production tenants at the Workday production data center's Internet connection points. Customer may request an availability report not more than once per month via the Customer Center (the Workday case management system).

### 3. Workday Feature Release and Service Update Process:

Periodically, Workday introduces new features in the Workday Service with enhanced functionality across Workday applications. Features and functionality will be made available as part of a major feature release ("Feature Release") or as part of weekly service updates ("Service Updates"). Feature Releases will take place approximately twice per year. The frequency of Feature Release availability may be increased or decreased by Workday at Workday's discretion. Specific information and timelines for Feature Releases and Service Updates can be found on the Workday Community (<https://community.workday.com>). Feature Releases will be performed during a weekend within any Planned Maintenance.



## **Workday Production Support and Service Level Availability Policy (SLA)**

### **4. Service Response:**

Workday's Service Response commitment is: (i) not less than 50% of (online) transactions in two (2) seconds or less and (ii) not more than 10% in five (5) seconds or more. Service Response is the processing time of the Workday production tenants in the Workday production data center to complete transactions submitted from a web browser. This Service Response commitment excludes requests submitted via Workday Web Services.

The time required to complete the request will be measured from the point in time when the request has been fully received by the encryption endpoint in the Workday Production data center, until such time as the response begins to be returned for transmission to Customer. Customer may request a response time report not more than once per month via the Customer Center.

### **5. Disaster Recovery:**

Workday will maintain a disaster recovery plan for the Workday production tenants in conformance with Workday's most current Disaster Recovery Summary, the current version of which can be viewed on the Workday Community. Workday commits to a recovery time objective of twelve (12) hours - measured from the time that the Workday production tenant becomes unavailable until it is available again. Workday commits to a recovery point objective of one (1) hour - measured from the time that the first transaction is lost until the Workday production tenant becomes unavailable.

Workday will test the disaster recovery plan once every six months, and will make available a written summary of the results of the most recent test available to Customers in Workday Community.

### **6. Case Submittal and Reporting:**

Customer's Named Support Contacts may submit cases to Workday Support via the Customer Center. Named Support Contacts must be trained on the Workday product(s) for which they initiate support requests. Each case will be assigned a unique case number. Workday will respond to each case in accordance with this SLA and will work diligently toward resolution of the issue taking into consideration its severity and impact on the Customer's business operations. Actual resolution time will depend on the nature of the case and the resolution itself. A resolution may consist of a fix, workaround, delivery of information or other reasonable solution to the issue. Case reporting is available on demand via the Customer Center.

### **7. Severity Level Determination:**

Customer shall reasonably self-diagnose each support issue and recommend to Workday an appropriate Severity Level designation. Workday shall validate Customer's Severity Level designation, or notify Customer of a proposed change in the Severity Level designation to a higher or lower level with justification for the proposal. In the event of a conflict regarding the appropriate Severity Level designation, each party shall promptly escalate such conflict to its management team for resolution through consultation between the parties' management, during which time the parties shall continue to handle the support issue in accordance with the Workday Severity Level designation. In the rare case a conflict requires a management discussion, both parties shall be available within one hour of the escalation.

### **8. Support Issue Production Severity Levels - Response and Escalation:**

Response Time is the period from the time when Customer logs the Production case in the Customer Center until Workday responds to Customer and/or escalation within Workday, if appropriate. Because of the widely varying nature of issues, it is not possible to provide specific resolution commitments.

In the event of a Severity Level 1 or 2 issue, if Customer is not satisfied with the progress of the case, Customer may escalate the case to Workday support management using the escalation process defined for Named Support Contacts. Upon escalation, Workday support senior management is notified and a Workday escalation manager is assigned to work with Customer until the escalation is resolved.



## Workday Production Support and Service Level Availability Policy (SLA)

### Severity Level 1:

- **Definition:** The Workday Service is unavailable or a Workday issue prevents timely payroll processing, tax payments, entry into time tracking and/or financials closing (month-end, quarter-end or year-end).
- **Workday Response Commitment:** Workday will respond within thirty (30) minutes of receipt of case and Workday shall remain accessible for troubleshooting from the time a Severity 1 issue is logged until such time as it is resolved.
- **Resolution:** Workday will work to resolve the problem until the Service is returned to normal operation. Customer will be notified of status changes.
- **Escalation:** If the problem has not been resolved within one (1) hour, Workday will escalate the problem to the appropriate Workday organization. The escalated problem will have higher priority than ongoing support, development or operations initiatives.
- **Customer Response Commitment:** Customer shall remain accessible for troubleshooting from the time a Severity 1 issue is logged until such time as it is resolved.

### Severity Level 2:

- **Definition:** The Workday Service contains an issue that prevents Customer from executing one or more critical business processes with a significant impact and no workaround exists.
- **Workday Response Commitment:** Workday will respond within one (1) hour of receipt of case and Workday shall remain accessible for troubleshooting from the time a Severity 2 issue is logged until such time as it is resolved.
- **Resolution:** Workday will work to resolve the problem until the Service is returned to normal operation. Customer will be notified of status changes.
- **Escalation:** If the problem has not been resolved within four (4) hours, Customer may request that Workday escalate the problem to the appropriate Workday organization where the escalated problem will have higher priority than ongoing development or operations initiatives.
- **Customer Response Commitment:** Customer shall remain accessible for troubleshooting from the time a Severity 2 issue is logged until such time as it is resolved.

### Severity Level 3:

- **Definition:** The Workday Service contains an issue that prevents Customer from executing one or more important business processes. A workaround exists but is not optimal.
- **Workday Response Commitment:** Workday will respond within four (4) hours of receipt of case.
- **Resolution:** If resolution requires a Workday issue fix, Workday will add the issue fix to its development queue for future Update and suggest potential workaround until the problem is resolved in a future Update. Customer will be notified of status changes.
- **Escalation:** If progress is not being made to Customer's satisfaction, Customer may request that Workday escalate the problem to the appropriate Workday organization
- **Customer Response Commitment:** Customer will respond to Workday requests for additional information and implement recommended solutions in a timely manner.



## Workday Production Support and Service Level Availability Policy (SLA)

### Severity Level 4:

- **Definition:** The Workday Service contains an issue that may disrupt important business processes where a workaround is available or functionality is not imperative to Customer's business operations.
- **Workday Response Commitment:** Workday will respond within twenty-four (24) hours of receipt of case.
- **Resolution:** If resolution requires a Workday issue fix, Workday will add the issue fix to its development queue for future Update and suggest potential workaround until the problem is resolved in a future Update. Customer will be notified of status changes.
- **Escalation:** If progress is not being made to Customer's satisfaction, Customer may request that Workday escalate the problem to the appropriate Workday organization.
- **Customer Response Commitment:** Customer will respond to Workday requests for additional information and implement recommended solutions in a timely manner.

### Severity Level 5 (Including Customer Care and Operations Requests):

- **Definition:** Non-system issues such as Named Support Contact change, requests for SLA reports or business documents, etc. Questions about configuration and functionality should be addressed to the Workday Community. If necessary to open a Support case requesting assistance, Severity 5 should be used.
- **Workday Response Commitment:** Workday will respond within twenty-four (24) hours of receipt of case.
- **Resolution Commitment:** Workday will respond to request. Customer will be notified of status changes.
- **Escalation:** If progress is not being made to Customer's satisfaction, Customer may request that Workday escalate the problem to the appropriate Workday organization.
- **Customer Commitment:** Customer will respond to Workday requests for additional information in a timely manner.

### 9. Workday Support Scope:

Workday will support functionality that is delivered by Workday as part of the Service. For all other functionality, and/or issues or errors in the Workday Service caused by issues, errors and/or changes in Customer's information systems and/or third party products or services, Workday may assist Customer and its third party providers in diagnosing and resolving issues or errors but Customer acknowledges that these matters are outside of Workday's support obligations. Service Level failures attributable to (i) Customer's acts or omissions; and (ii) Force Majeure events shall be excused.

### 10. Workday Web Services API Support:

Workday recommends using the most recent version of the Workday Web Services (WWS) APIs in order to receive optimum performance and stability. Prior versions of WWS APIs are updated to support backward-compatibility for all prior versions of WWS APIs that have not reached an end-of-life status. End-of-life announcements will be made not less than eighteen (18) months before the end-of-life of each WWS API. All announcements surrounding the WWS APIs will be communicated through Workday Community.

Backward compatibility means that an integration created to work with a given WWS API version will continue to work with that same WWS API version even as Workday introduces new WWS API versions. With the exception of backward-compatibility updates, prior versions of WWS APIs are not enhanced.



## Security Exhibit

Workday maintains a comprehensive, written information security program that contains administrative, technical, and physical safeguards that are appropriate to (a) the size, scope and type of Workday's business; (b) the amount of resources available to Workday; (c) the type of information that Workday will store; and (d) the need for security and confidentiality of such information.

Workday's security program is designed to:

- Protect the confidentiality, integrity, and availability of Customer Data in Workday's possession or control or to which Workday has access;
- Protect against any anticipated threats or hazards to the confidentiality, integrity, and availability of Customer Data;
- Protect against unauthorized or unlawful access, use, disclosure, alteration, or destruction of Customer Data;
- Protect against accidental loss or destruction of, or damage to, Customer Data; and
- Safeguard information as set forth in any local, state or federal regulations by which Workday may be regulated.

Without limiting the generality of the foregoing, Workday's security program includes:

1. **Security Awareness and Training.** A mandatory security awareness and training program for all members of Workday's workforce (including management), which includes:
  - a) Training on how to implement and comply with its Information Security Program;
  - b) Promoting a culture of security awareness through periodic communications from senior management with employees.
2. **Access Controls.** Policies, procedures, and logical controls:
  - a) To limit access to its information systems and the facility or facilities in which they are housed to properly authorized persons;
  - b) To prevent those workforce members and others who should not have access from obtaining access; and
  - c) To remove access in a timely basis in the event of a change in job responsibilities or job status.
3. **Physical and Environmental Security.** Controls that provide reasonable assurance that access to physical servers at the production data center is limited to properly authorized individuals and that environmental controls are established to detect, prevent and control destruction due to environmental extremes. These controls include:
  - a) Logging and monitoring of unauthorized access attempts to the data center by the data center security personnel;
  - b) Camera surveillance systems at critical internal and external entry points to the data center;
  - c) Systems that monitor and control the air temperature and humidity at appropriate levels for the computing equipment; and
  - d) Uninterruptible Power Supply (UPS) modules and backup generators that provide back-up power in the event of an electrical failure.
4. **Security Incident Procedures.** A security incident response plan that includes procedures to be followed in the event of any security breach of Customer Data or any security breach of any application or system directly associated with the accessing, processing, storage, communication or transmission of Customer Data. Such procedures include:
  - a) Roles and responsibilities: formation of an internal incident response team with a response leader;
  - b) Investigation: assessing the risk the incident poses and determining who may be affected;



Confidential

## Security Exhibit

- c) Communication: internal reporting as well as a notification process in the event of unauthorized disclosure of Customer Data in accordance with the Master Agreement;
  - d) Recordkeeping: keeping a permanent record of what was done and by whom to help in later analysis and possible legal action; and
  - e) Audit: conducting and documenting root cause analysis and remediation plan.
5. **Contingency Planning/Disaster Recovery.** Policies and procedures for responding to an emergency or other occurrence (for example, fire, vandalism, system failure, pandemic flu, and natural disaster) that could damage Customer Data or production systems that contain Customer Data. Such procedures include:
- a) Data Backups: A policy for performing periodic backups of production file systems and databases according to a defined schedule;
  - b) Disaster Recovery: A formal disaster recovery plan for the production data center, including:
    - i) Requirements for the disaster plan to be tested on a regular basis, currently twice a year; and
    - ii) A documented executive summary of the Disaster Recovery testing, at least annually, which is available upon request to customers.
  - c) Business Continuity Plan: A formal process to address the framework by which an unplanned event might be managed in order to minimize the loss of vital resources.
6. **Audit Controls.** Hardware, software, and/or procedural mechanisms that record and examine activity in information systems that contain or use electronic information, including appropriate logs and reports concerning these security requirements.
7. **Data Integrity.** Policies and procedures to ensure the confidentiality, integrity, and availability of Customer Data and protect it from disclosure, improper alteration, or destruction.
8. **Storage and Transmission Security.** Technical security measures to guard against unauthorized access to Customer Data that is being transmitted over a public electronic communications network or stored electronically. Such measures include requiring encryption of any Customer Data stored on desktops, laptops or other removable storage devices.
9. **Secure Disposal.** Policies and procedures regarding the disposal of tangible property containing Customer Data, taking into account available technology so that Customer Data cannot be practicably read or reconstructed.
10. **Assigned Security Responsibility.** Assigning responsibility for the development, implementation, and maintenance of its Information Security Program, including:
- a) Designating a security official with overall responsibility;
  - b) Defining security roles and responsibilities for individuals with security responsibilities; and
  - c) Designating a Security Council consisting of cross-functional management representatives to meet on a regular basis.
11. **Testing.** Regularly testing of the key controls, systems and procedures of its information security program to validate that they are properly implemented and effective in addressing the threats and risks identified. Such testing includes:
- a) Internal risk assessments;
  - b) ISO 27001 certification; and



## Security Exhibit

- c) SSAE Type II (or successor standard) audits twice annually.
- 12. **Monitoring.** Monitoring the network and production systems, including error logs on servers, disks and security events for any potential problems. Such monitoring includes:
  - a) Reviewing changes affecting systems handling authentication, authorization, and auditing;
  - b) Reviewing privileged access to Workday production systems; and
  - c) Engaging third parties to perform network vulnerability assessments and penetration testing on a regular basis.
- 13. **Change and Configuration Management.** Maintaining policies and procedures for managing changes to production systems, applications, and databases. Such policies and procedures include:
  - a) A process for documenting, testing and approving the promotion of changes into production;
  - b) A security patching process that requires patching systems in a timely manner based on a risk analysis; and
  - c) A process for Workday to utilize a third party to conduct web application level security assessments. These assessments generally include testing for:
    - i) Cross-site request forgery
    - ii) Improper input handling (e.g. cross-site scripting, SQL injection, XML injection, cross-site flashing)
    - iii) XML and SOAP attacks
    - iv) Weak session management
    - v) Data validation flaws and data model constraint inconsistencies
    - vi) Insufficient authentication
    - vii) Insufficient authorization
- 14. **Program Adjustments.** Workday monitors, evaluates, and adjusts, as appropriate, the security program in light of:
  - a) Any relevant changes in technology and any internal or external threats to Workday or the Customer Data;
  - b) Security and data privacy regulations applicable to Workday; and
  - c) Workday's own changing business arrangements, such as mergers and acquisitions, alliances and joint ventures, outsourcing arrangements, and changes to information systems.