

## Attachment for IBM System z Advanced Entry Workload License Charges

The terms of this Attachment for IBM System z Advanced Entry Workload License Charges ("Attachment") are in addition to those of the IBM Customer Agreement (or any equivalent agreement in effect between us). Customer accepts the terms of this Attachment by signing below or making any payment for ICA Programs utilizing the charging structure described below. Any ICA Programs subject to the terms of this Attachment that require z/Architecture (64-bit) hardware in order to execute properly may be licensed only to a Designated Machine that properly implements z/Architecture.

### 1. Definitions

**AEWLC** — Advanced Entry Workload License Charges available for selected ICA Programs that are used on an Eligible Machine and are running under an Eligible Operating System. AEWLC charges allow for either Full Capacity or Sub-Capacity Pricing.

**Eligible Machine** — A Machine to which an Eligible Operating System is licensed. Eligible Machines, including their Full Capacity MSUs, are specified in the Mainframe Exhibits section of the System z Software Contracts Web site. (See Machines with "AEWLC" in the Group column.)

**Eligible Operating System** — An operating system that runs in z/Architecture (64-bit) mode on an Eligible Machine and is specified in the Eligible Operating Systems section of the System z Software Contracts Web site (<http://ibm.com/systems/z/swprice/reference/exhibits/opsys.html>).

**Full Capacity MSUs** — The total capacity of a Machine as specified in the Mainframe Exhibits section of the System z Software Contracts Web site.

**Full Capacity Pricing** — Charges for AEWLC ICA Programs based on Full Capacity MSUs.

**Guest (LPAR)** — an LPAR with an Eligible Operating System running under z/VM.

**Mainframe Exhibits section of the System z Software Contracts Web site** — <http://ibm.com/systems/z/swprice/reference/exhibits/hardware.html>

**MSUs** — Millions of Service Units per hour; the measure of workload capacity of an Eligible Machine.

**Native (LPAR)** — an LPAR with an Eligible Operating System not running under z/VM.

**Operating System Family** — An IBM operating system and the IBM middleware that runs under it. The applicable IBM operating systems are specified in the Eligible Operating Systems section of the System z Software Contracts Web site

**Product LPAR Utilization Capacity** — The highest number of MSUs utilized by the combined logical partitions ("LPARs") in which an AEWLC ICA Program runs concurrently during a Reporting Period. The number of MSUs is based on a four-hour rolling average utilization.

**Product Utilization Capacity** — The highest number of MSUs utilized concurrently by all copies of an IBM Program running on the same Eligible Machine during a Reporting Period. The number of MSUs is based on four-hour rolling average program utilization.

**Reporting Period** — The period that begins on the second day of a month and ends on the first day of the following month.

**Sub-Capacity Pricing** — Charges for AEWLC ICA Programs based on less than Full Capacity MSUs.

**SCRT** — The latest version of the IBM Sub-Capacity Reporting Tool made available by IBM. The SCRT analyzes System Management Facilities ("SMF") data, SCRT89 data, and other data and calculates the Product LPAR Utilization Capacity for AEWLC ICA Programs.

**Sub-Capacity Report** — A report generated by the SCRT to enable IBM to calculate Sub-Capacity Pricing for AEWLC ICA Programs. Customer is required to submit the report to IBM only if Sub-Capacity Pricing is in effect.

### 2. Charges

- a. If Customer selects AEWLC charges for an Eligible Operating System on an Eligible Machine, then all ICA Programs in that Operating System Family for which AEWLC charges are available must have AEWLC charges.

**Exceptions:**

ICA Programs with charge types that are specified below may be licensed to the same Eligible Machine as ICA Programs with AEWLC charges:

- (1) System z New Application License Charges ("zNALC"), which are described in the Attachment for zNALC License Charges on IBM System z (Z125-7454-04 or later).
- (2) Select Application License Charges ("SALC"), which are described in the Select Application License Charges Amendment to Attachment for IBM System z Usage Pricing Charges (Z125-7284-02 or later).

- (3) ICA Programs for which Customer has paid Graduated One-Time Charges (“GOTC”) may be moved to an Eligible Machine.
  - (a) Upgrade charges will apply if the Eligible Machine “Default Model Group” specified in the Mainframe Exhibits section of the System z Software Contracts Web site is higher than the current GOTC entitlement. Refunds do not apply if the Eligible Machine Default Model Group is lower.
  - (b) Contact IBM for special pricing if the GOTC license is being moved to an Eligible Machine whose applicable default charge is based on MSUs rather than a specific Default Model Group.
- b. AEWLC charges are based on Full Capacity or Sub-Capacity Pricing.  
Increases in any AEWLC charges that are due to changes Customer makes in the MSU capacity of any Eligible Machine to which the AEWLC ICA Program is licensed will be in effect for a minimum period of one month;
- c. When AEWLC charges apply to ICA Programs with Sub-Capacity Pricing:
  - (1) monthly charges are based on the number of MSUs reported for the ICA Program on the Sub-Capacity Report for the specified Eligible Machine during a Reporting Period. This value corresponds to the Product LPAR Utilization Capacity. If Customer does not comply with the terms of this Attachment, monthly charges are based on Full Capacity MSUs.  
NOTE: Information on IBM’s billing process, including how to determine the applicable Reporting Period for a particular month’s charges, can be found on the Sub-Capacity Corner Web site at <http://ibm.com/systems/z/swprice/subcap/terms.html>
  - (2) Eligible Operating System licenses are charged at Full Capacity MSUs until IBM has processed the initial Sub-Capacity Report for that Eligible Operating System on that Eligible Machine, thereby initiating Sub-Capacity Pricing for that Operating System Family;
  - (3) the initial monthly charge for an ICA Program (other than the Eligible Operating System) eligible for AEWLC charges is based upon the applicable MSUs for the Eligible Operating System for that Operating System Family;
  - (4) once Sub-Capacity Pricing has begun for an Eligible Operating System on an Eligible Machine, if an AEWLC ICA Program does not appear in a Sub-Capacity Report subsequent to its initial monthly charge, it will be charged at the minimum AEWLC MSUs;  
NOTE: IBM specifies minimum AEWLC MSUs in its programming announcements;
  - (5) if Customer elects to have Sub-Capacity Pricing for an AEWLC ICA Program on an Eligible Machine, then Customer must have Sub-Capacity Pricing for all AEWLC ICA Programs in that Operating System Family on that Eligible Machine;
  - (6) AEWLC ICA Program features have the same MSUs as the AEWLC ICA Program;
  - (7) if an OS/390 or MVS operating system is licensed to the same Eligible Machine, then charges for the z/OS Operating System Family are based on Full Capacity MSUs;
  - (8) when z/TPF is licensed to an Eligible Machine, the SCRT calculates the number of MSUs for z/TPF IBM Programs running on it. See the Amendment for Calculation of z/TPF MSUs (Z125-7283) for further details; and
  - (9) if a z/VSE Version 3 or prior operating system is licensed to an Eligible machine, then charges for the z/VSE Operating System Family are based on Full Capacity MSUs.
- d. IBM may offer pricing enhancements to AEWLC Sub-Capacity Pricing. Unless IBM advises otherwise, such enhancements, including function and charges applicable to such enhancements, will be subject to additional terms specified in an addendum to this Attachment (“Addendum”) to which Customer must agree to be eligible to receive such enhancements. IBM’s provision of Sub-Capacity Pricing enhancements is conditioned upon Customer’s agreement to and compliance with the applicable Addenda and this Attachment.
- e. If AEWLC Charges are not available for an ICA Program, or if Customer does not select AEWLC charges for an Eligible Operating System, then Tiered Workload License Charges (“TWLC”) apply to all ICA Programs in that Operating System Family for which TWLC charges are available:
  - (1) TWLC charges are a tiered price structure and based on the Eligible Machine model. Sub-Capacity Pricing is not available.
  - (2) TWLC charges are available for selected ICA Programs used on non-aggregated Eligible Machines identified in the “Group” column by “TWLC” followed by the TWLC tier in the Mainframe Exhibits section of the System z Software Contracts Web site.
  - (3) Default charges apply when TWLC charges are not available for an ICA Program and the ICA Program’s charges are based on machine capacity. Default charges are specified in the Mainframe Exhibits section of the System z Software Contracts Web site for each applicable Eligible Machine in the column called “Other.”

- (4) Increases in any TWLC or default charges for ICA Programs, due to changes in the tier placement for any Eligible Machine to which the ICA Programs are licensed, will be in effect for a minimum period of one month;
- f. Aggregated charges do not apply to AEWLC but —
  - (1) Aggregated Parallel Sysplex License Charges (“PSLC”) may apply if the Eligible Machine is coupled in a Parallel Sysplex that has aggregated PSLC charges.
  - (2) Aggregated Advanced Workload License Charges (“AWLC”) may apply if the Eligible Machine is coupled in a Parallel Sysplex that has aggregated AWLC charges.
  - (3) Aggregated Workload License Charges (“WLC”) may apply if the Eligible Machine is coupled in a Parallel Sysplex that has aggregated WLC charges under AWLC Transition Charges for Sysplexes terms.

**Prerequisite Attachments, Supplements, and Exhibits for Aggregated Charges**

For PSLC: Attachment for Parallel Sysplex License Charges (Z125-5205); and Exhibit - Parallel Sysplex License Charges (Z125-5206).

For AWLC: Attachment for IBM System z Advanced Workload License Charges (Z125-8538); and IBM System z Advanced Workload License Charges Exhibit (Z125-8539).

For WLC: Attachment for IBM System z Workload License Charges (Z125-6516); and IBM System z Advanced Workload License Charges Exhibit (Z125-6324).

**3. IBM’s Responsibilities**

IBM will:

- a. provide the SCRT;
- b. review and validate Customer supplied alternate values indicated in the Sub-Capacity Reports, and if appropriate, at its sole discretion make adjustments to AEWLC charges; and
- c. register Eligible Machines when Customer submits the initial Sub-Capacity Reports.

**4. Customer’s Responsibilities under Sub-Capacity Pricing**

Sub-Capacity Pricing is conditioned upon utilization of capacity approved by IBM and accurate capacity utilization measurement data generated by the operating system and processed by SCRT.

Customer agrees to:

- a. promptly install any code required by IBM for ICA Programs or IBM System z Machine Code required by IBM to accurately calculate Sub-Capacity Pricing;
- b. not alter, modify, omit, or delete, by any means, directly or indirectly, the:
  - (1) SMF or SCRT89 records;
  - (2) SCRT, except for changes provided by IBM; or
  - (3) Sub-Capacity Reports that Customer submits to IBM, except for those SCRT report fields where Customer comments are expressly required or permitted. Instructions for completion of the required and optional Customer comment fields can be found in the most current version of the SCRT Users Guide (SG24-6522).
- c. not enable or use any SCRT control statement except as expressly authorized by IBM in the SCRT User Guide or an Addendum signed by Customer;
- d. collect and retain for a period of not less than six months the SMF and SCRT89 data records that are required by SCRT for each Reporting Period from all LPARs on the Eligible Machine. For ICA AEWLC Programs that are not reported on SMF 89 records or on SCRT89 records, Customer must use NO89 control statements to identify the LPAR(s) or Guest (LPARs) in which the AEWLC Programs ran during any part of the Reporting Period;
- e. run the most current version of the SCRT against the collected SMF and SCRT89 data to produce a Sub-Capacity Report from all Eligible Operating System LPARs on the Eligible Machine for which the AEWLC Program is licensed. If there have been special circumstances during the Reporting Period, Customer may, in accordance with the then current SCRT Users Guide (SG24-6522), do either of the following: 1) provide alternate values for an AEWLC ICA Program that is not reported on SMF 89 or SCRT89 records or 2) use the “Exclude” control statement and provide an explanation of the variance.
- f. send to IBM, not earlier than the second, but not later than the ninth, calendar day of the month:
  - (1) the initial Sub-Capacity Report that is based on the data for the entire initial Reporting Period for each Eligible Machine that Customer wishes IBM to register for Sub-Capacity Pricing; and
  - (2) subsequent Sub-Capacity Reports that are based on the data for each entire Reporting Period thereafter for each registered Eligible Machine.

Sub-Capacity Reports may not be used to discontinue licenses, report Eligible Machine model downgrades, or to disable ICA Program features.

Both IBM and Customer agree that Sub-Capacity Reports that reflect a change to Product LPAR Utilization Capacity or to the inventory of ICA Programs on an Eligible Machine (e.g. new ICA Program, or change in Designated Machine previously identified to IBM) will be considered to be orders placed by Customer without further action on Customer's part, and Customer authorizes IBM to make any resulting billing increase or decrease. Sub-Capacity Reports not submitted by the ninth calendar day of the month will result in ICA Programs being charged on a Full Capacity MSU basis for the Reporting Period;

- g. configure Customer's Eligible Machine to send Transmit System Availability Data ("TSAD") weekly to IBM via the Remote Support Facility ("RSF"). This enables IBM to verify that the Product LPAR Utilization Capacity MSUs in the Sub-Capacity Reports Customer submits to IBM are consistent with Customer's actual Eligible Machine configuration. An alternate means for Customer to collect and transmit this data is provided in the SCRT Users Guide (SG24-6522). Failure to submit TSAD may result in ICA Programs being charged on a Full Capacity MSU basis;
- h. assign a person in Customer's organization with authority to discuss with IBM and promptly resolve any questions about 1) Sub-Capacity Reports, 2) inconsistencies between the Sub-Capacity Reports and current license entitlement, and 3) configuration data reported via the RSF;
- i. contact IBM if Customer elects to convert from AEWLC Sub-Capacity Pricing to AEWLC at Full Capacity MSUs;
- j. not register, directly or indirectly, ICA Programs with the z/OS IFAUSAGE service, except as directed by the documentation for the ICA Program;
- k. not register, directly or indirectly, Non-IBM Programs with the z/OS IFAUSAGE service as an ICA Program with an IBM product identifier; and
- l. not cause, directly or indirectly, Product Utilization Capacity to be attributed to another program, either an ICA Program or a Non-IBM Program, when the Product Utilization Capacity is unrelated to that program, except in the case of incidental Product Utilization Capacity associated with diagnosing, monitoring, or measuring a program.

## 5. Compliance Verification

For purposes of this section, "ICA Program Terms" means terms applicable to ICA Programs in the IBM Customer Agreement and applicable Transaction Documents and Attachments (including this one).

Upon reasonable notice, IBM may verify Customer's compliance with ICA Program Terms at all site(s) and for all environments in which Customer uses or installs ICA Programs (whether for testing or productive use or otherwise). Such verification will be conducted during Customer's normal business hours and in a manner that minimizes disruption to Customer's business. IBM may use an independent auditor to assist with such verification, provided IBM has a written confidentiality agreement in place with such auditor.

As reasonably necessary to verify Customer's use and installation of ICA Programs and Customer's compliance with the ICA Program Terms, Customer agrees to: 1) create, retain, and provide to IBM and its auditors written and other records, system tools outputs, and other electronic or hard copy system information, including information regarding the system configurations on which the ICA Programs operate; and 2) permit IBM and its auditors to be present and observe while Customer accesses machines to provide such records, outputs and other system information.

IBM will notify Customer in writing if any such verification indicates that Customer is not in compliance with the ICA Program Terms. Customer agrees to promptly pay any additional charges and other liabilities Customer becomes obligated to pay based on its use and deployment of ICA Programs or its failure to comply with the ICA Program Terms at any time during the period such ICA Programs are licensed to Customer.

The rights and obligations in this section remain in effect during the period such ICA Programs are licensed to Customer and for two years thereafter. This section applies to all ICA Programs licensed within Customer's Enterprise, including any licensed under separate Attachments and Transaction Documents, notwithstanding any contrary audit provisions that may be contained in them.

This Attachment and the IBM Customer Agreement (or any equivalent agreement signed by both of us) identified below, including applicable Attachments and Transaction Documents, is the complete agreement regarding IBM System z Advanced Entry Workload License Charges and replaces all prior oral or written communications, representations, undertakings, warranties, promises, covenants, and commitments between Customer and IBM regarding IBM System z Advanced Entry Workload License Charges. In entering into this Attachment, including any applicable Transaction Document, neither party is relying on any representation that is not specified in this Attachment, the Transaction Document, or the Agreement. Additional or different terms in any written communication from Customer (such as a purchase order) are void.

Each party accepts, on behalf of its Enterprise, the terms of this Attachment by signing this Attachment (or another document that incorporates it by reference) by hand or electronically. Once signed, i) any reproduction of this Attachment made by reliable means (for example, electronic image, photocopy or facsimile) is considered an original, and ii) all ICA Programs utilizing IBM System z Advanced Entry Workload License Charges ordered under this Attachment are subject to it.

If there is a conflict among the various documents, 1) the terms of this Attachment prevail over those of the Agreement, and 2) the terms of a Transaction Document prevail over both of these documents.

Agreed to:  
EL DORADO COUNTY

Agreed to:  
**International Business Machines Corporation**

By \_\_\_\_\_  
Authorized Signature

By \_\_\_\_\_  
Authorized Signature

Name (type or print):

Name (type or print):

Date:

Date:

Customer identification number: **2728837**

Agreement number: SWHAJ9A

Customer address:

IBM address:

**360 FAIR LANE  
PLACERVILLE, CA 95667-4103**

**1503 LBJ  
DALLAS, TX 75234**

*After signing, please return a copy of this page to the "IBM address" shown above.*



**IBM System z Machines Exhibit**

The terms of the IBM Customer Agreement (or any equivalent agreement signed by us) apply. Any Programs licensed in accordance with the terms of this Exhibit that require 64-bit z/Architecture hardware in order to execute properly may be licensed only to a Designated Machine that properly implements z/Architecture.

**1. Definitions**

**AEWLC** — Advanced Entry Workload License Charges. For more information see ICA Attachment Z125-8755.

**AWLC** — Advanced Workload License Charges. For more information see ICA Attachment Z125-8538.

**Eligible Operating System** — An operating system that is specified in the Eligible Operating Systems section of the System z Software Contracts Web site (<http://ibm.com/systems/z/swprice/reference/exhibits/opsys.html>).

**EWLC** — Entry Workload License Charges. For more information see ICA Attachment Z125-6587.

**GOLC** — Growth Opportunity License Charges

**GOTC** — Graduated One Time Charges

**Mainframe Exhibits section of the System z Software Contracts Web site** — <http://ibm.com/systems/z/swprice/reference/exhibits/hardware.html>

**MWLC** — Midrange Workload License Charges. For more information see ICA Attachment Z125-7452.

**Operating System Family** — An IBM operating system and the IBM middleware that runs under it. The applicable IBM operating systems are specified in the Eligible Operating Systems section of the System z Software Contracts Web site.

**PSLC** — Parallel Sysplex License Charges. For more information see ICA Attachment Z125-5205.

**PSLC/E** — Parallel Sysplex License Charges - Single Machine Environment

**TWLC** — Tiered Workload License Charges

**WLC** — Workload License Charges. For more information see ICA Attachment Z125-6516.

**zELC** — zSeries Entry License Charges

**2. Graduated Charges**

**DESIGNATED MACHINES:** Graduated Charges are available only for Programs that are used on a Machine listed in the Mainframe Exhibits section of the System z Software Contracts Web site with “Group” in the Group column. For Programs that are used on any Machine not so listed, the Charges will be those for the Group with the highest Charges, or those of an alternative charging methodology, such as Extended License Charges or Indexed Monthly License Charges, as specified by IBM.

If charges for a Program are (1) dependant upon the type or model of the Machine where the Program is used and (2) other types of charges are available for that Program on that Machine, then that Program is not eligible for Graduated Charges, unless approved by IBM.

Increases in any System z Program Group charges due to changes in the Group placement for any Machine to which they are licensed will be in effect for a minimum period of one month.

**3. Growth Opportunity License Charges**

**DESIGNATED MACHINES:** Growth Opportunity License Charges (“GOLC”) are available only for Programs that are used on a Machine listed in the Mainframe Exhibits section of the System z Software Contracts Web site with “GOLC” in the Group column.

GOLC may not be available for all Programs used on a listed Machine. If Graduated Monthly License Charges are available for Programs for which GOLC are not available, then a default charge applies which is equal to the Basic Graduated Monthly License Charge for the Machine Group indicated.

<b>GOLC Category</b>	<b>Default Charge Equal to Basic Charges for</b>
H30	Group 40
H50	Group 50
H70	Group 70

Contact Customer’s IBM representative or IBM Business Partner whenever installing IBM Programs on a Machine listed to determine if GOLC or default charges are available.

Increases in any System z Program GOLC or default charges due to changes in the Category placement for any Machine to which they are licensed will be in effect for a minimum period of one month.

#### 4. **Parallel Sysplex License Charges - Single Machine Environment**

**DESIGNATED MACHINES:** Parallel Sysplex License Charges - Single Machine Environment (PSLC/E) are available only for Programs that are used on a Machine listed in the Mainframe Exhibits section of the System z Software Contracts Web site with "PSLC=Yes" or "PSLC=Single" in the PSLC column. For Programs that are used on any Machine not so listed, the PSLC/E charges will be based on twice the highest MSU rating specified. Contact Customer's IBM representative or Business partner whenever installing IBM Programs on a Machine listed to determine if PSLC/E charges are available.

PSLC/E charges are only available for Machines running an Eligible Operating System.

If Customer selects PSLC/E charges for an Eligible Operating System on a Machine, then all ICA Programs in that Operating System Family for which PSLC/E charges are available must have PSLC/E charges, unless the Program is eligible for System z Usage Charges. If System z Usage Charges are selected, the System z Usage Charges Attachment (Z125-5915) is required.

If aggregated PSLC charges are selected, the PSLC Attachment is required.

Increases in any System z Program PSLC/E charges, due to changes in the MSU rating for any Machine that they are licensed to, will be in effect for a minimum period of one month.

#### 5. **zSeries Entry License Charges ("zELC") and Tiered Workload License Charges ("TWLC")**

- a. zELC and TWLC charges are
  - (1) based on the capacity of the Machine. Sub-Capacity Pricing is not available.
  - (2) available for selected Programs used on Machines that are listed in the Mainframe Exhibits section of the System z Software Contracts Web site with "zELC" or "TWLC" in the Group column.
- b. All Programs on the same Machine in the same Operating System Family must have the same charge type:
  - (1) If only zELC or TWLC charges are available, then all such Programs must have either zELC or TWLC (but not both).
  - (2) If zELC, TWLC, EWLC, MWLC, or AEWLC charges are available, then all such Programs must have one of those charges.
  - (3) If zELC, TWLC, EWLC, MWLC, or AEWLC charges are not available for such Programs, then a default charge applies. That charge type is specified in the Mainframe Exhibits section of the System z Software Contracts Web site for each applicable Machine in the column titled "Other."
- c. In the event that z/OS.e is licensed on the Machine, Customer must sign the Attachment for EWLC, TWLC, zELC and z/OS.e License Charges (Z125-6587-11 or later).
- d. If Customer selects aggregated PSLC, WLC, or AWLC charges, then Customer must accept the terms of the applicable Attachment(s).
- e. Increases in any zELC or TWLC, or default charges, due to changes in the tier, category, or model placement for any Machine to which the Programs are licensed, will be in effect for a minimum period of one month.
- f. Graduated One-Time Charges (GOTC Charges)
  - (1) Programs for which Customer has paid GOTC may be moved to a Machine with either zELC or TWLC charges.
  - (2) Upgrade charges will apply if the "Default Model Group" specified in the Mainframe Exhibits section of the System z Software Contracts Web site is higher than the current GOTC entitlement. Refunds do not apply if the Default Model Group is lower.
  - (3) Contact IBM for special pricing if the GOTC license is being moved to a machine whose applicable default charge is based on MSUs rather than a specific Default Model Group.

#### 6. **Entry Workload License Charges ("EWLC") and z/OS.e**

- a. EWLC charges are based on the capacity of the Machine. Sub-Capacity Pricing is not available under this contract. For EWLC Sub-Capacity pricing, see the Attachment for EWLC, TWLC, zELC, and z/OS.e License Charges (Z125-6587).
- b. EWLC charges are available for selected Programs used on Machines that are listed in the Mainframe Exhibits section of the System z Software Contracts Web site with "EWLC" in the Group column.

- c. When Customer selects EWLC charges for a Program in a particular Operating System Family on a Machine, all other Programs in that Operating System Family on the same Machine must have EWLC charges, if available.
- d. In the event that (1) z/OS.e is licensed on the Machine, or (2) any other charge is selected for any of the Programs on the Machine, Customer must sign the Attachment for EWLC, TWLC, zELC and z/OS.e License Charges (Z125-6587-11 or later).
- e. If Customer selects aggregated PSLC, WLC, or AWLC charges, then Customer must accept the terms of the applicable Attachment(s).
- f. Increases in any EWLC charges, due to changes in the MSU rating for any Machine to which the Programs are licensed, will be in effect for a minimum period of one month.
- g. Graduated One-Time Charges (GOTC Charges)
  - (1) Programs for which Customer has paid GOTC may be moved to a Machine with EWLC charges.
  - (2) Upgrade charges will apply if the "Default Model Group" specified in the Mainframe Exhibits section of the System z Software Contracts Web site is higher than the current GOTC entitlement. Refunds do not apply if the Default Model Group is lower.
  - (3) Contact IBM for special pricing if the GOTC license is being moved to a machine whose applicable default charge is based on MSUs rather than a specific Default Model Group.

## **7. Advanced Entry Workload License Charges ("AEWLC")**

- a. AEWLC charges are based on the capacity of the Machine. Sub-Capacity Pricing is not available under this contract. For AEWLC Sub-Capacity pricing, see the Attachment for Advanced Entry Workload License Charges (Z125-8755).
- b. AEWLC charges are available for selected Programs used on Machines that are listed in the Mainframe Exhibits section of the System z Software Contracts Web site with "AEWLC" in the Group column.
- c. When Customer selects AEWLC charges for a Program in a particular Operating System Family on a Machine, all other Programs in that Operating System Family on the same Machine must have AEWLC charges, if available.
- d. If Customer selects aggregated PSLC, WLC, or AWLC charges, then Customer must accept the terms of the applicable Attachment(s).
- e. Increases in any AEWLC charges, due to changes in the MSU rating for any Machine to which the Programs are licensed, will be in effect for a minimum period of one month.
- f. Graduated One-Time Charges (GOTC Charges)
  - (1) Programs for which you have paid GOTC may be moved to a Machine with AEWLC charges.
  - (2) Upgrade charges will apply if the "Default Model Group" specified in the Mainframe Exhibits section of the System z Software Contracts Web site is higher than the current GOTC entitlement. Refunds do not apply if the Default Model Group is lower.
  - (3) Contact IBM for special pricing if the GOTC license is being moved to a machine whose applicable default charge is based on MSUs rather than a specific Default Model Group.

## **8. Compliance Verification**

For purposes of this section, "ICA Program Terms" means terms applicable to ICA Programs in the IBM Customer Agreement and applicable Transaction Documents, Attachments, and this Exhibit. Upon reasonable notice, IBM may verify Customer's compliance with ICA Program Terms at all site(s) and for all environments in which Customer uses or installs ICA Programs (whether for testing or productive use or otherwise). Such verification will be conducted during Customer's normal business hours and in a manner that minimizes disruption to Customer's business. IBM may use an independent auditor to assist with such verification, provided IBM has a written confidentiality agreement in place with such auditor.

As reasonably necessary to verify Customer's use and installation of ICA Programs and Customer's compliance with the ICA Program Terms, Customer agrees to: 1) create, retain, and provide to IBM and its auditors written and other records, system tools outputs, and other electronic or hard copy system information, including information regarding the system configurations on which the ICA Programs operate; and 2) permit IBM and its auditors to be present and observe while Customer accesses machines to provide such records, outputs and other system information.

IBM will notify Customer in writing if any such verification indicates that Customer is not in compliance with the ICA Program Terms. Customer agrees to promptly pay any additional charges and other liabilities Customer becomes obligated to pay based on its use and deployment of ICA Programs or its failure to comply with the ICA Program Terms at any time during the period such ICA Programs are licensed to Customer.

The rights and obligations in this section remain in effect during the period such ICA Programs are licensed to Customer and for two years thereafter. This section applies to all ICA Programs licensed

within Customer's Enterprise, including any licensed under separate Attachments and Transaction Documents, notwithstanding any contrary audit provisions that may be contained in them.