Appendix 2 – Sample Software License Agreement

Service Level Agreement

Between

HTC

and

<CUSTOMER>

For

Support Services

Purpose

The purpose of this Support Service Level Agreement ("SLA") is to formalize an agreement between HTC Global Services, Inc., a Michigan Corporation ("HTC") and the <CUSTOMER> for HTC to deliver specific support services to <CUSTOMER>, at specific levels of support, and at an agreed-upon cost. This document is intended to provide details of the provision of support services to <CUSTOMER> by HTC. This SLA will evolve over time, with additional knowledge of the <CUSTOMER> requirements.

Scope of Agreement

The following services are provided in response to the transfer of trouble tickets from <CUSTOMER> to HTC in accordance with a mutually agreed issue resolution method.

Services Automatically Provided Under This Agreement

The following services will be provided by HTC in response to the transfer of trouble tickets for Level 3 support from <CUSTOMER> to HTC:

1. **Corrective maintenance**—Defined as activities associated with root-cause analysis and bug-fix isolation and resolution:
   - **Root-cause analysis**—Analysis of the root causes of problems. Problems will be reviewed to determine their root causes, measures will be taken to correct the sources of the problems, and reports will be prepared and distributed in a timely fashion.
   - **Bug fixes**—Defined as the emergency repair of any system operation that does not comply with the current signed and approved system specification. This includes system errors, "hung" or halted screens, or unexpected results within the system that render it unusable for the purpose for which it was designed.

2. **Ticket status updates**—HTC will update the status of the issue resolution into the issue tracking system.

Requests for Support Specifically Covered Under This Agreement

The following application-related services are provided under this agreement:

1. **Level 2 support**—To the extent possible by HTC support staff in assisting <CUSTOMER> level 2 support team members with diagnosing problems and working in partnership to their resolution, including configuration changes to Web servers.
   If HTC is hosting the application, it will also provide Level 2 support (infrastructure support) for the application, covering web server, database server and network devices and connections.
2. **Change management**—New or changed processes, practices, or policies that affect the HTC support team and that require support team members to understand, learn, and follow.

3. **Status reporting**— Monthly status reports will be completed by HTC support specialists and submitted to <CUSTOMER> for each production application supported. Monthly status reports will be discussed by the HTC support manager with <CUSTOMER> management to ensure that the <CUSTOMER> is aware of the support issues and risks faced by the support team.

Requests for Services NOT Covered Under This Agreement

This agreement does not cover the following requests. However, HTC would be pleased to provide a separate Work Order in proposing services to address any of the following:

1. **Evaluation of new software or hardware**—Evaluation or approval of new software or hardware for use within <CUSTOMER>. This includes systems developed outside of <CUSTOMER>, such as third-party systems, or systems developed by <CUSTOMER>.
2. **On-call** HTC **support management**—HTC's support managers are not required to be on call. If at a later date <CUSTOMER> requires the support manager to be on call for a specific purpose, or on a longer-term basis, then the HTC support managers will be compensated at the standard on-call rate for level 3 support staff, and <CUSTOMER> shall be charged for this service.
3. **Level 1 and 2 support**—Level 1 (help desk) and level 2 (infrastructure support) shall be provided by <CUSTOMER> for each production application to be supported, and they shall perform their assigned duties, such as Web server, authentication software, software installation, application installation on production servers, database connections, and database changes, for the duration of this agreement.
4. HTC will provide level 2 support, if it is hosting the application.
5. **Software licensing**—HTC will not provide software or licensing for third-party software that is specific to an application. <CUSTOMER> will provide all software and licensing for third-party software that is specific to an application.
6. **Upgrades to application software and associated hardware**—When an upgrade to an existing system is released. This includes operating system upgrades, database upgrades, authentication software upgrades, and vendor-required upgrades. (Vendor requires <CUSTOMER> to upgrade in order to maintain vendor support.)
7. **Assistance with application usage when unsupported or nonstandard hardware or software is involved**—Use of unsupported or nonstandard hardware or software often results in unexpected behavior of otherwise reliable systems.
8. **Perfective maintenance**—Defined as activities relating to enhancements, with effort of five days or more, to provide additional functionality to an application.
9. **New development**—Any change in a database or system that involves functionality not within the currently signed and approved release specification, even if the new functionality would seem to be an improvement over the old one.
10. **Modifications to original application specification**—Any functionality not specified in the current approved design specification. Changes in <CUSTOMER>'s organization or business needs (such as a reorganization or change in business practice) may make the current specification obsolete. When this occurs, <CUSTOMER> should initiate a request for enhancement to update the system.

Applications Covered

This agreement is for services related to support requests concerning the test and production applications detailed in the Work Order.

Changes to Service Level Agreement

Termination of Agreement
In the event that <CUSTOMER> wishes to terminate this agreement, a 30-day written notice of intent to terminate must be delivered by <CUSTOMER> to HTC.

Amendment to Agreement
Any amendment to the Terms and Conditions of this agreement would require the approval of <CUSTOMER> and HTC management's authorized signatories.
There will be an opportunity on a quarterly basis to make adjustments to this SLA. <CUSTOMER> and HTC should work together to make changes at that time.

Renewal of Agreement
This agreement will be renegotiated by <CUSTOMER> and HTC at the end of the term of this contract as specified in the Work Order, which is incorporated herein by this reference.

Processes and Procedures Related to This Agreement

Call Management Process

HTC's Issue Tracking system will be used by all support team levels (where approval and technical access has been granted) to record and track all problem reports, inquires, or other types of calls received by level 3 support.

SLA Funding Agreement
Billing for services provided under this agreement will be accomplished through direct billing to <CUSTOMER> under the terms and conditions of the appropriate Work Order raised for these services
This support SLA does not include funding for services not covered under this agreement.

Addenda
There are currently no addenda to this agreement. Any future addenda will be referenced in the Work Order.

General Terms and Conditions

Term of Agreement
This agreement is in effect upon the date of acceptance of this agreement and ends on the latest date specified in any terms of the Work Order submitted to <CUSTOMER>.

Organizations
This agreement is between HTC and <CUSTOMER>, as named on the cover of this agreement.

Approvals
In order to make this agreement operational, approvals of the Work Order must be in place.

Key Contacts
Key contacts are shown in Project Summary of the Work Order.

Dependence on Other Organizations
HTC is dependent on other internal groups within <CUSTOMER> of services (i.e., help desk, database services, etc.), and external suppliers (i.e. HP, Microsoft, etc.) in providing application support services to <CUSTOMER>. <CUSTOMER> will manage the interface into those suppliers as it relates to the provision of services under this agreement.

The list of organizations and vendors that HTC is dependent on may change during the term of this agreement.

Definitions

Support Request

For the purposes of this agreement, a Support Request is generally defined as a request for support to fix a defect in existing application code or a request for support that involves no modifications to application code, such as a question.

Levels of Support

There are three levels of support, only one of which (level 3) is provided under this agreement. These levels, which are integrated into the <CUSTOMER>'s support process, are defined as follows:

- **Level 1**—This is support provided by the appropriate <CUSTOMER> help desk when it receives the Support Request from their <CUSTOMER>. This represents generalist support. If this level of support cannot resolve the problem, the Support Request is passed to <CUSTOMER>'s level 2 support.

  Support Requests are taken by the appropriate level 1 help desk as follows:

Hours	Phone Contact
As applicable to <CUSTOMER>'s Help Desk Schedule	

- **Level 2**—This is support provided by a <CUSTOMER> infrastructure support or subject matter specialist. Operational issues will be resolved at this level. If resolution requires further investigation and resolution, then the Support Request is passed to HTC's level 3 support.
- **Level 3**—This is support provided by a HTC application support specialist.

Severity Codes

The following characteristics are used to identify the severity of a problem report:

- Business and financial exposure
- Work outage
- Number of <CUSTOMER>s affected
- Workaround
- Acceptable resolution time.

It is not necessary (nor is it likely) to have perfect match of each characteristic to categorize a problem report at a particular severity level. A given problem must be judged against each of the characteristics to make an overall assessment of which severity level best describes the problem. The Level 1 support agent and <CUSTOMER> jointly determine the initial severity rating for the report. Level 2 and Level 3 support personnel may then negotiate with <CUSTOMER> to modify this severity after the report is elevated to them.

The characteristics below do not cover work requests. Severity levels for work requests may carry a different set of characteristics and weightings.

Severity 1 (Critical)	Severity 2 (High)	Severity 3 (Medium)	Severity 4 (Low)
Business and financial exposure			
The application failure creates a serious business and financial exposure.	The application failure creates a serious business and financial exposure.	The application failure creates a low business and financial exposure.	The application failure creates a minimal business and financial exposure.
Work Outage			
The application failure causes the user to be unable to work or perform some significant portion of their job.	The application failure causes the user to be unable to work or perform some significant portion of their job.	The application failure causes the user to be unable to perform *some small* portion of their job, but they are still able to complete most other tasks. May also include questions and requests for information.	The application failure causes the user to be unable to perform a *minor* portion of their job, but they are still able to complete most other tasks.
Number of Users Affected			
The application failure affects a *large* number of users.	The application failure affects a *large* number of users.	The application failure affects a *small* number of users.	The application failure may only affect one or two users.
Workaround			
There is no acceptable workaround to the problem (i.e., the job cannot be performed in any other way).	There is an acceptable and implemented workaround to the problem (i.e., the job can be performed in some other way).	There may or may not be an acceptable workaround to the problem.	There is likely an acceptable workaround to the problem.
Response Time			

Severity 1 (Critical)	Severity 2 (High)	Severity 3 (Medium)	Severity 4 (Low)
Within one hour.	Within four hours.	Within eight hours or by next business day (EST).	Within eight hours or by next business day (EST).
Resolution Time			
The maximum acceptable resolution time is 24 continuous hours, after initial response time.	The maximum acceptable resolution time is five business days.	The maximum acceptable resolution time is 30 business days.	The maximum acceptable resolution time is 90 calendar days.

Application Criticality

The criticality of an application determines the support activities to be performed. The <CUSTOMER> can select a criticality level that best suits their service expectations or budget. These levels can be best described as follows:

Level	Description
High	• Support activities must be performed to at least the level of effort indicated for an application. • Should identified problems consume less than the level of effort, then the balance is taken up with preventative maintenance activities. • Should identified problems consume more than the level of effort, then no preventative maintenance activities will be conducted.
Medium	• Support activities can be performed as required to provide an acceptable level of service. • Should identified problems consume less than the level of effort, then no preventative maintenance activities will be conducted.
Low	• Support activities may be performed as required. • Minimum support activities will be performed.

Roles and Responsibilities

<CUSTOMER> has the following general responsibilities under this agreement:

- <CUSTOMER> users, <CUSTOMER>s, and/or suppliers using the application will use the appropriate help desk to request support.
- <CUSTOMER> will use their own appropriate help desk to provide level 1 support, including creating problem tickets and work orders and assigning responsibility to the appropriate level 2 <CUSTOMER> resources.
- <CUSTOMER> will use their own appropriate IS group to provide level 2 server, network, firewall, and infrastructure support services, including Web server,

authentication software, software installation, application installation on production servers, database connections, and database changes.

- <CUSTOMER> will provide all information required to open a support request.
- Once a support request has been submitted, <CUSTOMER> will be available to work with the HTC support resource assigned to the support request.
- <CUSTOMER> end users do not contact HTC support resources directly to report a problem. All problem calls must be logged through the appropriate help desk.
- <CUSTOMER> will conduct business in a courteous and professional manner with HTC.

HTC has the following general responsibilities under this agreement:

- HTC will conduct business in a courteous and professional manner with <CUSTOMER>.
- HTC will log all information from <CUSTOMER> required to establish contact information, document the nature of the problem and <CUSTOMER>'s hardware/network environment (as applicable).
- HTC will attempt to resolve problems over the phone on first call.
- HTC will escalate support request to next level of internal support within HTC upon approach of established resolution targets.
- HTC will obtain <CUSTOMER>'s approval before ticket closure.

<Customer>

By: _____
Name, Title

HTC Global Services, Inc.,

By: _____
Name, Title