

MICROSOFT SOFTWARE LICENSE TERMS

MICROSOFT DYNAMICS AX 3.x, AX 4.x, AX 2009

MICROSOFT DYNAMICS GP 9.x, GP 10.x, GP 2010

MICROSOFT DYNAMICS NAV 4.x, NAV 5.x, NAV 2009

MICROSOFT DYNAMICS SL 6.x, SL 7.x, SL 2011

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- updates,
- supplements,
- Internet-based services, and
- support services

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If you comply with these license terms, you have the rights below.

1. OVERVIEW.

a. **Software.** The software may include

- server software;
- client software that can be installed on devices and used with the server software;
- additional components that may be separately licensed; and
- any fixes, patches or updates for the software.

b. **License Model.** The software is licensed based on

- the number of copies of system databases that you install;
- the number of your users or devices that access the system database; and
- additional components you license.

2. DEFINITIONS.

- "you" means the legal entity that has agreed to these license terms and your affiliates;
- "Affiliate" means any legal entity that owns, is owned by, or that is under common ownership with a party;
- "ownership" means more than 50% ownership;
- "client software" means the software that allows a single personal computer, workstation, terminal, handheld computer, personal digital assistant, or other electronic device ("device or devices") to access or use the server software or to use certain aspects of the server software when disconnected from the server; "server software" means the software that provides services or functionality on your server (your computers capable of running the server software are "servers");
- "system database" means the underlying database that controls your users and financial reporting units;
- "Light User" means a named user who access your system database indirectly for purposes of using a limited set of services or functionality.

- “Employee Self-Service User” or “ESS User” means a named user who access your system database indirectly for purposes of completing only the tasks described below:
 - i. Employee Time and Attendance: tasks related to registering hours, clock-in and clock-out, excluding registering hours related to discrete projects.
 - ii. Employee Requisition: tasks related to employee requisitions including but not limited to purchase, leave of absence or services requests.
 - iii. Employee Human Resource Management: tasks related to keeping employee details up-to-date including contact information, employee history, absence, vacation, training, education, compensation review, benefits, recruitment and applications.
 - iv. Employee Travel and Expense: tasks related to managing the expense submittal, approval and the associated workflow for employee expenses.
- “point of sale device” means one device, used by any user, to access your system database for the purpose of completing customer facing sales or services transactions;
- “limited device” means a single-purpose device, used by any user, to access your system database indirectly for either capturing or displaying data;
- “business process outsourcing” means the contracting of a specific critical or non-critical business task, function or process to a third-party service provider, where (i) the services provided include direct or indirect access to the software, and (ii) the software license is not obtained directly from Microsoft; and
- “partner” means the partner that has signed a partner agreement with Microsoft authorizing the partner to market and distribute the software.

3. INSTALLATION AND USE RIGHTS.

- a. **Server Software.** You may install an unlimited number of copies of the server software to access your system database. However, you may only use the number of copies that your license key permits. You may not duplicate license keys without Microsoft’s prior written consent.
- b. **Client Software.** You may install an unlimited number of copies of the client software. However, you may use the client software only with the server software.
- c. **Additional Components.** You may install an unlimited number of copies of the additional components you have licensed for your system database. You must obtain a separate license for each system database if you wish to install an additional component for multiple system databases. You may not duplicate license keys without Microsoft’s express written consent. For additional information and license restrictions regarding additional components, see www.microsoft.com/dynamics/purchase/editionsandlicensing.mspx.

4. ADDITIONAL LICENSING REQUIREMENTS AND/OR USE RIGHTS.

- a. **User Licenses.** In addition to the server software license, you must acquire user licenses for the total number of users that access the system database directly or indirectly. User licenses are specific to a system database and may not be used with or shared among different system databases. You may license concurrent users, named users, device CALs or the external connector depending on the type of access to the system database that the user requires. For users that are your or your affiliates’ employees, contractors or agents, you must license concurrent users, named users and/or device CALs. For all other access to the system database, including access where no individual users are involved, you must license the external connector, concurrent users, named users or device CALs. The types of user licenses are,
 - “Concurrent users” are licenses that allow any individual to access the system database. The number of concurrent users licensed refers to the maximum number of individuals that may access the system database simultaneously;
 - “Named users” are licenses that are specific to individual users and may not be shared among individual users. You may select the Light User or the ESS User as named user types. If you select the ESS User, your use of this named user license is subject to those restrictions listed in the ESS User definition. You may permanently reassign your named user from one user to another;

- "Device Client Access Licenses" or "Device CAL" are licenses that permit one point of sale device or limited device, used by any user, to access the system database indirectly. You may permanently reassign your device CAL from one device to another, as long as the new device complies with the limitations applicable to POS devices or limited devices, respectively; and
- "External connector" is a license that allows any third party user to access a single system database. "Third party users" are any concurrent user or named user that is not your or your affiliates' employees, contractors or agents.

For additional information about the types of user licenses and the license restrictions regarding user licenses, see www.microsoft.com/dynamics/purchase/editionsandlicensing.mspix.

b. Multiplexing. Hardware or software you use to

- pool connections,
- reroute information,
- reduce the number of devices or users that directly access or use the software, or
- reduce the number of devices or users the software directly manages,

(sometimes referred to as "multiplexing" or "pooling"), does not reduce the number of licenses you need.

c. External Connector Licenses. You must assign each external connector license you acquire to a system database. Each external connector license assigned to a system database permits any number of third party users to access that system database. You do not need concurrent, named user or device CAL licenses for those users. You may not use the external connector for business process outsourcing purposes. However, you may use the software to provide business process outsourcing services to unaffiliated third parties provided that they do not access the software or system database.

d. Third Party Hosting. You may have a third party host the software on your behalf solely for access by you and your affiliates. You may not permit your third party hosting vendor to allow access to the software by unaffiliated third parties except as otherwise allowed through an external connector license. Your third party hosting vendor must agree to be bound by these terms.

e. License Grant for Templates. You may copy and use templates provided with the software and identified for such use in documents and projects that you create. You may distribute those documents and projects non-commercially.

f. Restrictions related to the use of Crystal Reports. If Crystal Reports Runtime Server is included in the software, you may not distribute the Crystal Reports Runtime Server component of the software (the "Runtime Component") with any general-purpose report writing, data analysis or report delivery product or any other product that performs the same or similar functions as the Runtime Component. You may not use the Runtime Component to create for distribution a product that is generally competitive with Business Objects product offerings. You may not use the Runtime Component to create for distribution a product that converts the report file (.RPT) format to an alternative report file format used by any general-purpose report writing, data analysis or report delivery product that is not the property of Business Objects.

g. Modification Disclaimer. You may modify the software only as necessary to use it for your internal business purposes if you received it in source code form or you or any third party acting on your behalf have licensed tools from Microsoft that allow you or that third party acting on your behalf to modify the object code form. You agree that Microsoft is not responsible for any problems that result from modifications made by you, a partner, or any other third party acting on your behalf, or any problems that are caused by third party hardware or software. Microsoft does not, and will not have any obligation to, provide technical or other support for any modifications made by you, a partner or any other third party. Microsoft does not make any representation, endorsement, guaranty or assurance of the suitability of the software for your business, the suitability of the partner or any other third party to create modifications or to implement the modifications or the software, or that any modification created, implemented, supported and/or serviced by, for or on behalf of you or any third party will meet your business needs or operate successfully with the software. Microsoft and its partners are independent entities and Microsoft is not liable for nor bound by any acts of such business partners.

h. Additional Functionality. Microsoft may provide additional functionality for the software. Other license terms

and fees may apply.

- i. **Complex Software.** The software is complex computer software. Its performance will vary depending on your hardware platform, software interactions, the configuration of the software and other factors. The software is neither fault tolerant nor free from errors, conflicts or interruptions.
5. **INTERNET-BASED SERVICES.** Microsoft provides Internet-based services with the software. Microsoft may change or cancel them at any time.
 - a. **Consent for Internet-Based Services.** Certain features in the software may connect to Microsoft or third party service provider computer systems over the Internet. In some cases, you will not receive a separate notice when they connect. You may switch off these features or not use them. For more information about these features, see the software documentation. **By using these features, you consent to the transmission of this information.** Microsoft does not use the information to identify or contact you.
 - b. **Computer Information.** Certain features in the software use Internet protocols, which send to the appropriate systems computer information, such as your Internet protocol address, the type of operating system, browser, name and version of the software you are using, and the language code of the device where you installed the software. Microsoft uses this information to make the Internet-based services available to you. Some of these features include, but are not limited to,
 - Web Content Features. Features in the software can retrieve related content from Microsoft and provide it to you. To provide the content, these features send to Microsoft the type of operating system, name and version of the software you are using, type of browser and language code of the device where you installed the software. Examples of these features are clip art, templates, online training, online assistance and Appshelp. You may choose not to use these web content features.
 - c. **Use of Information.** Microsoft may use the device information, error reports, and malware reports to improve our software and services. We may also share it with others, such as hardware and software vendors. They may use the information to improve how their products run with Microsoft software.
 - d. **Misuse of Internet-based Services.** You may not use these services in any way that could harm them or impair anyone else's use of them. You may not use the services to try to gain unauthorized access to any service, data, account or network by any means.
6. **BENCHMARK TESTING.** You must obtain Microsoft's prior written approval to disclose to a third party the results of any benchmark test of the software.
7. **SCOPE OF LICENSE.** The software is licensed, not sold. This agreement only gives you some rights to use the software. Microsoft reserves all other rights. Unless applicable law or a separate written contract with Microsoft gives you more rights despite this limitation, you may use the software only as expressly permitted in this agreement. In doing so, you must comply with any technical limitations in the software that only allow you to use it in certain ways. You may only use the software for your internal business purposes. You may not
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 - reverse engineer, decompile or disassemble the software, except and only to the extent that applicable law expressly permits, despite this limitation;
 - make more copies of the software than specified in this agreement or allowed by applicable law, despite this limitation;
 - publish the software for others to copy;
 - rent, lease or lend the software; or
 - use the software for commercial software hosting services.Your rights to use the software are perpetual but may be revoked if you or your affiliates do not comply with the terms of this agreement. Rights to access the server software do not give you any right to implement Microsoft patents or other Microsoft intellectual property in software or devices that access the server.
8. **BACKUP COPY.** You may make multiple copies of the software for backup, development and testing purposes, so long as such copies are not used in production and the development is for your internal use only. Your backup copies may be hosted by a third party on your behalf.

9. **FAIL-OVER RIGHTS.** You may run a single passive fail-over instance of your system database for temporary support.
10. **LICENSE TRANSFER.** You may not transfer the software to a third party without Microsoft's prior written consent. If permitted, there may be additional charges for transferring the software to a third party.
11. **DOCUMENTATION.** Any person that has valid access to your computer or internal network may copy and use the documentation for your internal, reference purposes.
12. **ACADEMIC EDITION SOFTWARE.** You must be a "Qualified Educational User" to use software marked as "Academic Edition" or "AE." If you do not know whether you are a Qualified Educational User, visit www.microsoft.com/education or contact the Microsoft affiliate serving your country.
13. **DOWNGRADE.** Instead of installing the software, you may install and use an earlier version. This agreement applies to your use of the earlier version. If the earlier version includes different components, any terms for those components in the agreement that comes with the earlier version apply to your use of them. Microsoft is not obligated to supply earlier versions to you. At any time, you may replace an earlier version with this version of the software.
14. **EXPORT RESTRICTIONS.** The software is subject to United States export laws and regulations. You must comply with all domestic and international export laws and regulations that apply to the software. These laws include restrictions on destinations, end users and end use. For additional information, see www.microsoft.com/exporting.
15. **SUPPORT SERVICES.** Microsoft provides support services for the software as described at www.support.microsoft.com/common/international.aspx.
16. **LOCALIZATION AND TRANSLATION.** Microsoft provides localizations and translations for the software as described at www.microsoft.com/dynamics.
17. **ENTIRE AGREEMENT.** This agreement (including the warranty below), and the terms for supplements, updates, Internet-based services and support services that you use, are the entire agreement for the software and support services.
18. **APPLICABLE LAW.**
 - a. **United States.** If you acquired the software in the United States, Washington state law governs the interpretation of this agreement and applies to claims for breach of it, regardless of conflict of laws principles. The laws of the state where you are located govern all other claims, including claims under state consumer protection laws, unfair competition laws, and in tort.
 - b. **Outside the United States.** If you acquired the software in any other country, the laws of that country apply.
 - c. **Attorneys' Fees and Costs.** If you or Microsoft files a lawsuit, brings an action or otherwise pursues a claim against the other in connection with or arising out of this agreement or the software, the prevailing party will be entitled to recover its reasonable attorneys' fees, costs and other expenses (including any appeal).
19. **LEGAL EFFECT.** This agreement describes certain legal rights. You may have other rights under the laws of your state or country. You may also have rights with respect to the party from whom you acquired the software. This agreement does not change your rights under the laws of your state or country if the laws of your state or country do not permit it to do so.
20. **DEFENSE OF INFRINGEMENT AND MISAPPROPRIATION CLAIMS.** Microsoft will defend you against any claims made by an unaffiliated third party that the software infringes its patent, copyright or trademark or misappropriates its trade secret, and will pay the amount of any resulting adverse final judgment (or settlement to which Microsoft consents).

You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance in defending the claim, and Microsoft will reimburse you for reasonable out of pocket expenses that you incur in providing that assistance. The terms "misappropriation" and "trade secret" are used as defined in the Uniform Trade Secrets Act, except in the case of claims arising outside the United States, in which case "misappropriation" will mean intentionally unlawful use and "trade secret" will mean "undisclosed information" as specified in Article 39.2 of the TRIPs agreement.

Our obligations will not apply to the extent that the claim or adverse final judgment is based on (i) your use of the software after Microsoft notifies you to discontinue use due to such a claim; (ii) your combining the software with a non-Microsoft product, data or business process including third party add-ons or programs; (iii) damages attributable to the value of the use of a non-Microsoft product, data or business process; (iv) your altering or modifying the software,

including any modifications by third parties; (v) your distribution of the software to, or its use for the benefit of, any third party; (vi) your use of Microsoft trademark(s) without express written consent to do so; or (vii) for any trade secret claim, your acquiring a trade secret (a) through improper means; (b) under circumstances giving rise to a duty to maintain its secrecy or limit its use; or (c) from a person (other than Microsoft or its affiliates) who owed to the party asserting the claim a duty to maintain the secrecy or limit the use of the trade secret. You will reimburse us for any costs or damages that result from these actions.

If Microsoft receives information concerning an infringement or misappropriation claim related to the software, Microsoft may, at its expense and without obligation to do so, either (i) procure for you the right to continue to run the software, or (ii) modify the software or replace it with a functional equivalent, to make it non-infringing, in which case you will stop running the software immediately. If, as a result of an infringement or misappropriation claim, your use of the software is enjoined by a court of competent jurisdiction, Microsoft will, at its option, either procure the right to continue its use, replace it with a functional equivalent, modify it to make it non-infringing, or refund the amount paid and terminate this license.

If any other type of third party claim is brought against you regarding Microsoft's intellectual property, you must notify us promptly in writing. Microsoft may, at its option, choose to treat these claims as being covered by this section. This Section 20 provides your exclusive remedy for third party infringement and trade secret misappropriation claims.

21. LIMITATION ON AND EXCLUSION OF DAMAGES. You can recover from Microsoft and its suppliers only direct damages up to the amount you paid for the software except for claims covered by Section 20. You cannot recover any other damages, including consequential, lost profits, special, indirect or incidental damages.

This limitation applies to

- anything related to the: (i) software, (ii) services, (iii) content (including code) on any third party Internet sites, or (iv) third party programs; and
- claims for breach of contract, breach of warranty, guarantee or condition, strict liability, negligence, loss of data, damage to records or data, loss of goodwill, loss as a consequence of a business interruption or any other tort to the extent permitted by applicable law.

It also applies even if

- repair, replacement or a refund for the software does not fully compensate you for any losses; or
- Microsoft knew or should have known about the possibility of the damages.

Some jurisdictions do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation or exclusion may not apply to you.

22. VERIFYING COMPLIANCE.

- a. Right to verify compliance.** You are required to keep records (including proof of purchase) relating to the software you and your affiliates use under this agreement. Microsoft has the right to verify compliance with this agreement, at Microsoft's expense. You agree to provide reasonable cooperation in the event of a compliance audit. Microsoft may request that you grant your consent to allow access to the usage information captured by the system database as a tool in conducting the audit.
- b. Verification process and limitations.** To verify compliance, Microsoft will engage an independent accountant from an internationally recognized public accounting firm, which will be subject to a confidentiality obligation. Verification will take place upon not fewer than 30 days' notice, during normal business hours and in a manner that does not interfere unreasonably with your operations. As an alternative, Microsoft can require you to complete Microsoft's self-audit questionnaire relating to the software you and any of your affiliates use under this agreement, but reserves the right to use a verification process as set out above.

If Microsoft undertakes verification and does not find material unlicensed use (license shortage of 5% or more), Microsoft will not undertake another verification of the same entity for at least one year. Microsoft and Microsoft's auditors will use the information obtained in compliance verification only to enforce Microsoft's rights and to determine whether you are in compliance with the terms of this agreement. By invoking the rights and procedures

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- b. **Remedies for non-compliance.** If verification or self-audit reveals any unlicensed use, you must promptly order sufficient licenses to cover your use. If material unlicensed use is found, you must reimburse Microsoft for the costs Microsoft has incurred in verification and acquire the necessary additional licenses at single retail license cost within 30 days.

LIMITED WARRANTY

- A. LIMITED WARRANTY.** The software will perform substantially as described in the original user documentation Microsoft provides for the software.
- B. TERM OF WARRANTY; WARRANTY RECIPIENT; LENGTH OF ANY IMPLIED WARRANTIES.** The limited warranty covers the software for one year after acquired by you. If you receive supplements, updates, or replacement software during that year, they will be covered for the remainder of the warranty or 30 days, whichever is longer.
- To the extent permitted by law, any implied warranties, guarantees or conditions last only during the term of the limited warranty. Some jurisdictions do not allow limitations on how long an implied warranty, guarantee or condition lasts, so these limitations may not apply to you.
- C. EXCLUSIONS FROM WARRANTY.** This warranty does not cover problems caused by your acts (or failures to act), the acts (or failures to act) of others, including but not limited to, modifications or implementations made by you, a partner, or any other third party acting on your behalf, or events beyond Microsoft's reasonable control.
- D. REMEDY FOR BREACH OF WARRANTY.** Microsoft will repair or replace the software at no charge. If Microsoft cannot repair or replace it, Microsoft will refund up to the amount your partner paid for the software to Microsoft. It will also repair or replace supplements, updates and replacement software at no charge. If Microsoft cannot repair or replace them, it will refund up to the amount Microsoft charged for them, if any. You must uninstall the software and return any media and other associated materials to Microsoft with proof of purchase to obtain a refund. These are your only remedies for breach of the limited warranty.
- E. CONSUMER RIGHTS NOT AFFECTED.** You may have additional consumer rights under your local laws, which this agreement cannot change.
- F. WARRANTY PROCEDURES.** You need proof of purchase for warranty service, if the licenses you claim covered by the warranty are not reflected in Microsoft's internal records. To make a claim under this warranty, you should contact your partner. If your partner is unable to assist you, please contact Microsoft at
- 1. United States and Canada.** For warranty service for software acquired in the United States and Canada, contact Microsoft at
 - (800) MICROSOFT; or
 - Microsoft Customer Service and Support, One Microsoft Way, Redmond, WA 98052-6399.
 - 2. Europe, Middle East and Africa.** For warranty service for software acquired in Europe, the Middle East or Africa, Microsoft Ireland Operations Limited makes this limited warranty. Please contact Microsoft at
 - Microsoft Ireland Operations Limited, Customer Care Centre, Atrium Building Block B, Carmanhall Road, Sandyford Industrial Estate, Dublin 18, Ireland; or
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 - 3. Outside United States, Canada, Europe, Middle East and Africa.** If you acquired the software outside the United States, Canada, Europe, the Middle East and Africa, contact the Microsoft affiliate serving your country (see www.microsoft.com/worldwide).
- G. NO OTHER WARRANTIES.** The limited warranty is the only direct warranty from Microsoft. Microsoft gives no other express warranties, guarantees or conditions. Where allowed by your local laws, Microsoft excludes implied warranties of merchantability, fitness for a particular purpose and non-infringement. If your local laws give you any implied warranties, guarantees or conditions, despite this exclusion, your remedies are described in the Remedy for Breach of Warranty clause above, to the extent permitted by your local laws.
- H. LIMITATION ON AND EXCLUSION OF DAMAGES FOR BREACH OF WARRANTY.** The Limitation on and Exclusion of Damages clause above applies to breaches of this limited warranty.

This warranty gives you specific legal rights, and you may also have other rights which vary from state to state or country to country.