



This Pega Master Agreement (this "**Agreement**") is effective _____, 202_, between Pegasystems Limited, (a company registered in England and Wales, with number 02883981) whose registered office is at 23 Forbury Road, Reading, Berkshire RG1 3JH, United Kingdom ("**Pegasystems**"), and _____, a _____ [corporation/limited liability company registered in ____ with number ____] whose registered office is at _____ ("**Client**").

Pegasystems' products are composed of RuleSets to develop specific Client Applications. Client Applications may be deployed in the Pega Cloud or a Client Cloud, each as described in a Schedule to this Agreement. Definitions are stated on Exhibit A or elsewhere in this Agreement.

Subscription Services and License Terms

1. Subscription Services: Software License.

(a) Subscription Services Terms.

- i. If designated in an applicable Schedule, Pegasystems will provide Client with the Subscription Services in accordance with the Documentation to develop, test and/or deploy Client Applications within the Scope of Use. The Subscription Services include the Service Level Agreement. Client will be responsible for any Client managed or installed third-party products that are not included as part of the Subscription Services.
- ii. Client is responsible for the performance of any Client Application(s), for configuring Guardrail Compliant Client Application(s) in the Pega Cloud, and for complying with its obligations set forth in the Client Data Rights and Responsibilities, which is incorporated by reference.
- iii. Client acknowledges that in order for Pegasystems to provide the Subscription Services, Pegasystems may host, use, transmit and display Client Data, Client Applications and any third-party products, and may review Client's volume and type of usage of the Subscription Services. Pegasystems will not acquire any title or interest from Client in or to Client Data or third-party products.

(b) Software License Terms on Client Cloud.

- i. If designated in an applicable Schedule, Pegasystems will grant Client a non-transferable, non-exclusive license to install the Software in a Client Cloud in accordance with the Documentation to develop, test and/or deploy Client Applications within the Scope of Use. Software licensed for use in a Client Cloud will not include the Subscription Services.

(c) Terms Applicable to Both Subscription Services and Software License.

- i. Client will receive support, upgrades, and updates during the Term in accordance with the terms of the applicable Schedule and the Client Support Handbook.
- ii. Pegasystems will email to Client a URL to allow Client access to the Software and/or Subscription Services. The Software and/or Subscription Services will be accepted upon delivery. This acceptance is not dependent on any other contingencies or agreements.
- iii. Client's use of the Software and/or Subscription Services will comply with the Acceptable Use Policy.

2. Restrictions.

- (a) Client's use of the Subscription Services and/or Software will comply with the terms of this Agreement and the Documentation. Client agrees not to sell, resell, rent, outsource, timeshare, lease or sublicense the Subscription Services and/or Software to any third party or otherwise use it except as permitted under this Agreement and the applicable Schedule. Client will not use shared User IDs to avoid or reduce the counting of individuals that use the Subscription Services and/or Software.
- (b) Client's use of the Subscription Services and/or Software will be in object code and/or RuleSet form. Unless specifically authorized by law, Client may not reverse engineer, decompile, disassemble or otherwise attempt to determine source code or protocols from the Subscription Services and/or Software.



- (c) Pegasystems owns all right, title and interest to the Subscription Services, Software and Background Materials. The Software will contain Pegasystems' copyright notice and Client will reproduce such notice in any permitted copy made by Client.

3. Client Data and Security.

- (a) During the Term, Pegasystems will provide the Security Standards describing Pegasystems' information and physical security program (attached as Exhibit B to this Agreement).
- (b) Pegasystems and Client agree that each party may store, access, and process the other party's Business Contact Data for the purpose of performing any obligations under this Agreement. Each party may share the other party's Business Contact Data with its contractors, partners, assignees and others acting on such party's behalf under this Agreement.
- (c) Client represents and warrants that it has complied, and will throughout the Term comply, with all applicable data privacy laws and regulations in relation to Client Data, including, without limitation, that it has provided any necessary notices and obtained any necessary consents relating to Client's collection and use of such Client Data.
- (d) To the extent Pegasystems is processing any Client Data that includes PII, the DPA is incorporated by reference.

Professional Services Terms

4. Performance of Professional Services; Deliverables.

- (a) Pegasystems may provide Professional Services to Client under a Statement of Work.
- (b) All Deliverables that Pegasystems creates when providing Professional Services for Client under this Agreement will be a "work made for hire" and will become, effective upon payment by Client in full, the exclusive property of Client. Client will also retain all right, title and interest in any new RuleSets that Client develops for itself using the Software. So long as Pegasystems has not used any Client Confidential Information, Client agrees not to challenge or make claims against Pegasystems' ability to provide its products and services to other clients.
- (c) Pegasystems may use its Background Materials when providing Professional Services to the Client. Background Materials are the property of Pegasystems, and if Pegasystems incorporates any Background Materials in a Deliverable provided to Client under a Statement of Work, Client will receive a non-exclusive, non-transferable, fully paid-up license to use those Background Materials solely in connection with the Deliverables in which they were incorporated under the terms of the applicable Schedule.

General Terms and Conditions

5. Term.

- (a) This Agreement is binding upon signing and will continue through the Term of its Schedules.
- (b) In the event that either party commits a material breach of this Agreement or any Schedule, and such breach remains uncured for thirty (30) days following receipt of written notice from the non-breaching party, the non-breaching party may terminate this Agreement and/or such Schedule by providing written notice of the breaching party's failure to cure such breach. If such termination is due to Pegasystems' breach, Pegasystems will refund Client any unused, pre-paid fees for the Subscription Services and/or Software. In the event of Client's breach, Pegasystems reserves the right to either suspend or terminate Client's use of the Subscription Services and/or Software or Pegasystems' provision of other products or services.
- (c) Either party may, by written notice to the other party, terminate this Agreement or any Schedule in the event such other party terminates or suspends its business, admits in writing to its inability to pay its debts as they mature, makes an assignment for the benefit of creditors, becomes subject to direct control of a trustee, receiver or similar authority, or becomes subject to any other bankruptcy or insolvency proceedings not dismissed within sixty (60) days.

- (d) If the Agreement is terminated or expires, each party will return to the other, or certify in writing the destruction of all Confidential Information (as defined below) or property of the other, provided, however, that neither party has to delete or erase any Confidential Information that has been saved to a back-up file or electronic archiving system in accordance with such party's ordinary back-up or document retention policies or that is required for litigation, regulatory or corporate records retention reasons. Upon termination of the Agreement or any Schedule (other than for termination due to Pegasystems' breach of the Agreement), the payment obligation for all fees for the full applicable term will be paid to Pegasystems at the time of termination of this Agreement or the Schedule. If a Schedule is terminated or expires, all rights granted under that Schedule will terminate.
- (e) Sections 2(b), 2(c), 4(b), 4(c), 6, 7(e), 8 through 11, and 13 and any outstanding payment obligations will survive the termination of this Agreement.

6. Fees and Taxes.

- (a) Fees and expenses are specified in the applicable Schedule and are payable in British Pounds (£), unless otherwise specified. All payments are due within thirty (30) days of the date of Pegasystems' invoice and will be subject to a late charge of 0.667% per month or the maximum amount permitted by applicable law, whichever is less. To the extent that Client requires the issuance of a purchase order before it can make payment, Client's delay in issuing the purchase order prior to the due date will not affect Client's obligation to pay the applicable charges and interest.
- (b) Once due, all fees are non-cancelable and non-refundable, except to the extent expressly provided in this Agreement or such Schedule or under applicable law.
- (c) Client is responsible for any applicable taxes, including sales, use, GST, VAT, customs, or excise tax, excluding only those taxes based upon the net income of Pegasystems.

7. Representations and Warranties.

- (a) Each party represents and warrants the following: (i) entering into and carrying out the terms and conditions of this Agreement will not violate any obligation binding upon it; (ii) each party will comply with all applicable laws in connection with its performance under this Agreement; and (iii) the executing persons have the authority to bind their respective parties.
- (b) Pegasystems warrants that:
 - i. The Subscription Services will operate substantially in accordance with the Subscription Documentation during the Term. If there is any failure of this warranty which can be replicated or verified, Pegasystems will, at its election, either promptly repair the Subscription Services to resolve such failure or terminate the Subscription Services and provide a refund for any pre-paid unused fees for the remaining portion of the then current term of any Schedule(s) to which the breach relates. These remedies will be Client's exclusive remedy for any failures of the warranty in this Section 7(b)(i).
 - ii. The Software provided under a Client Cloud will operate substantially in accordance with its Documentation for a period of ninety (90) days from initial delivery. If there is any failure of this warranty which can be replicated or verified, Pegasystems will, at its election, promptly repair the Software to resolve such failure or replace the Software with alternative software that provides substantially the same functionality. These remedies will be Client's exclusive remedy for any failures of these warranties.
 - iii. No disruptive or corrupting software that would damage, disable or compromise the security of a Client Application will be intentionally or knowingly introduced into the Subscription Services and/or Software by Pegasystems or its employees; and
 - iv. All Professional Services provided under this Agreement will be performed in a good and workmanlike manner, consistent with applicable industry standards.
- (c) To invoke the remedies described in Section 7(b)(i) and 7(b)(ii), Client must provide written notice to Pegasystems within the applicable warranty period, expressly outlining the nature of the alleged failure or breach.
- (d) The foregoing warranties will be void to the extent that any failure of such warranties is caused by (i) anyone



other than a Pegasystems employee modifying the Subscription Services or Software (unless Pegasystems authorizes the specific change in writing); or (ii) non-Pegasystems' service, software, or hardware; or (iii) Client Applications that are non-Guardrail Compliant.

- (e) EXCEPT AS EXPRESSLY STATED IN THIS SECTION 7, PEGASYSTEMS MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE OR NON-INFRINGEMENT.

8. Confidentiality.

- (a) "**Confidential Information**" means all non-public information provided by or on behalf of a party to the other party unique to the disclosing party's business, including but not limited to Subscription Services, Software, and Documentation.
- (b) Each party agrees that any Confidential Information is the exclusive proprietary property of the disclosing party or its licensors and may include trade secrets and other highly confidential information.
- (c) Each party agrees to receive and hold any Confidential Information supplied by the other party in confidence and agrees:
- i. not to disclose or publish any such Confidential Information to third parties except as provided in Section (8)(c)(iii);
 - ii. not to use any such Confidential Information except for those purposes specifically authorized by the disclosing party;
 - iii. to disclose such Confidential Information only to those of its officers, directors, agents, subprocessors and employees who have a need to know, have been advised of the confidential nature of the Confidential Information, and who are under obligations of confidentiality to the receiving party; and
 - iv. to follow the other party's reasonable on-site security procedures.
- (d) The above confidentiality provisions will not apply to information that:
- i. is in the public domain at the time of its disclosure;
 - ii. is disclosed with the prior written consent of the disclosing party;
 - iii. becomes known to the receiving party from a source other than the disclosing party, provided such source is legally entitled to have and disclose the information; or
 - iv. is independently developed by a receiving party without use of the Confidential Information of the disclosing party, as demonstrated by written records of such receiving party.
- (e) In the event that a receiving party is required by a court of law or by a governmental, regulatory or administrative agency, body or tribunal to disclose any of the Confidential Information of a disclosing party, the receiving party shall, to the extent legally permitted, (i) provide the disclosing party with prompt prior written notice of such requirement so that the disclosing party may seek appropriate relief to prevent or limit such disclosure, and (ii) furnish only that portion of the Confidential Information which is legally required to be furnished or disclosed.
- (f) If, in connection with the Subscription Services and/or Software, Client communicates suggestions for improvements to the Subscription Services and/or Software, Client assigns to Pegasystems all of its right, title and interest (including all intellectual property rights) in such suggestions for improvements and Pegasystems will own all right, title, and interest in and to the same and shall be entitled use the same without restriction.

9. Indemnification.

- (a) Pegasystems will indemnify and defend Client against any third-party claim that the Subscription Services, Software, or a Deliverable infringe upon a United States, Australian, Canadian or European Union trademark, copyright, trade secret or patent ("**IPR**"). If the Subscription Services, Software, or a Deliverable is found to be infringing or if Pegasystems deems it advisable as the result of a claim or threatened claim, Pegasystems will, in its reasonable discretion:
- i. procure for Client the right to continue using the Subscription Services, Software, or applicable Deliverable;



- ii. replace or modify the Subscription Services, Software or applicable Deliverable so that it becomes non-infringing; or
- iii. if Pegasystems cannot reasonably do either of the foregoing in its discretion, terminate the Schedule to which the IPR infringement claim relates.

These remedies will be Client's sole remedy for any IPR infringement claim.

- (b) Pegasystems will not indemnify Client when the alleged infringement results from (i) content provided by Client or developed for Client as a Deliverable pursuant to written specifications or instructions provided by Client; (ii) modifications made to the Subscription Services, Software, or applicable Deliverable by Client or a third party; or (iii) any Client Application (excluding unmodified Pegasystems provided RuleSets) or any other RuleSets created by Client or a third party.
- (c) Pegasystems shall indemnify and defend Client against any third-party claim to the extent that it is attributable to bodily injury or to death of any person or to damage to or destruction of any tangible property, resulting from the willful or grossly negligent acts of Pegasystems, its agents, or employees.
- (d) Client will indemnify and defend Pegasystems from and against any third-party claim that (i) arises from any use of the Software by Client that is not in compliance with the terms of this Agreement or the applicable Schedule (other than an IPR claim that is subject to indemnification by Pegasystems pursuant to clause (a) above), or (ii) alleges that any of the Client Applications (excluding unmodified Pegasystems provided RuleSets) or any Client RuleSets infringe or misappropriate any third-party intellectual property rights. During the term of this Agreement and for three (3) years thereafter, Client will not assert against Pegasystems or its affiliates any patent infringement claim relating to its use of the Software or Subscription Services.
- (e) In asserting any claim for indemnification, the relevant party must provide prompt written notice describing the claim and cooperate fully with the indemnifying party. The indemnifying party will be entitled to control any proceedings or litigation for which it is indemnifying the other party, except that the indemnifying party will not, without the other party's prior written consent (not to be unreasonably withheld), enter into any settlement that would require the other party to take any action, or refrain from taking any action, other than permitting the indemnifying party to pay money damages on its behalf.

10. Limitation of Liability.

- (a) Each party will have unlimited liability to the other party under this Agreement for actual, direct damages arising out of, or related to:
 - i. a party's obligation to indemnify the other party for third party claims under Section 9 of this Agreement (including related reasonable attorneys' fees and court costs); or
 - ii. a breach of a party's confidentiality obligations under Section 8 of this Agreement or a party's infringement or misappropriation of the other party's intellectual property rights.
- (b) Notwithstanding any other provisions of this Agreement nothing in this Agreement shall limit or exclude either party's liability for:
 - i. fraud;
 - ii. death or personal injury caused by such party's negligence;
 - iii. any liability to the extent the same may not be excluded as a matter of law.
- (c) Notwithstanding anything to the contrary in Section 10(a)(ii) or elsewhere in this Agreement, Pegasystems' liability for damages related to Client Data shall be limited to actual direct damages in the amount of up to two times the fees received by Pegasystems from Client in the prior twelve (12) months in connection with the Schedule(s) under which such damages arose, or to which such damages relate.
- (d) Each party's liability for all other claims or damages arising under, or related to, this Agreement (regardless of the type of damages, and whether for breach of contract, breach of warranty, tort or otherwise) will be limited to the amount of fees received by Pegasystems from Client in the prior twelve (12) months in connection with the Schedule(s) under which such damages arose, or to which such damages relate (except any claim by Pegasystems for payments owed by Client will be limited to the amount owed plus any additional amounts owed



for use that exceeds the Scope of Use).

11. Notices.

Any notices under this Agreement will be in writing and sent by certified mail, return receipt requested, or by a nationally or internationally recognized overnight delivery service, to:

Pegasystems: Pegasystems Limited
One Reading Central
23 Forbury Road
Reading, Berkshire RG1 3JH

Client: _____

Attention:

12. Insurance.

During the Term of any applicable Schedule, Pegasystems will maintain insurance from a company rated at least A- by A.M. Best's Rating Service or equivalent with limits no less than those set forth in the Certificate of Insurance that Client may obtain directly from:

<https://marshdigital.marsh.com/marshconnect/viewMOI.action?client=3536055>

13. Additional Terms and Conditions.

- a) Cooperation. In the event of any dispute, which cannot be readily resolved within thirty (30) days, the parties will each escalate the matter to senior management who will meet in person or by telephone within fifteen (15) days of receipt of notice of the dispute, to attempt to resolve the open issues.
- b) Assignment or Delegation. Neither party may assign any rights or obligations under this Agreement or any Schedule without the other party's prior written consent, except that, subject to Section 13(c), either party may assign the entirety of its rights and obligations under this Agreement (i) to its parent company or an Affiliate, or (ii) in connection with a merger or sale of a business unit or majority stock ownership provided that the successor party assumes the rights and obligations in writing and has adequate resources to meet its obligations and Client notifies Pegasystems in writing prior to the assignment. Client will not assign or delegate any rights or obligations under this Agreement or any Schedule to a Pegasystems competitor. Any assignment is subject to the terms and conditions of this Agreement.
- c) Client Combinations. In the event that Client merges with, is acquired by, or acquires all or part of another entity (collectively, a "**Combination**"), the resulting combined entity may only use the Subscription Services and the Software within the scope of the Client's operations at the time immediately prior to the Combination. In addition, the parties will negotiate in good faith a proportionate adjustment to the fees due under the applicable Schedule for increased usage of the Software as a result of the Combination.
- d) Non-Solicitation. Neither party will hire or contract with, either as an employee or an independent contractor (either directly or through a third party), any Covered Personnel of the other party. The term "**Covered Personnel**" of a party will mean that party's employees or any contractors retained by that party who are professional services personnel or who were involved in the performance of this Agreement within the preceding six-month period, or any person who would have been considered Covered Personnel but for having terminated employment or contractual relationship within the past six (6) months. Breach of this Section 13(d) will constitute a material breach of this Agreement.



- e) Compliance with Export Controls Laws. The export and re-export of the Pegasystems Software and Technology is subject to the export control and sanctions laws, regulations, and orders of the United States, including but not limited to the Export Administration Regulations ("EAR"), International Traffic in Arms Regulations ("ITAR"), and regulations and orders administered by the Treasury Department's Office of Foreign Assets Control ("OFAC") (collectively, "**Export Control Laws**"). Client agrees that it will not export, reexport, transfer, or allow access to the Pegasystems Software and Technology: (a) to or by parties on lists of sanctioned or restricted parties maintained by the U.S. government, including but not limited to OFAC, the U.S. Department of Commerce, or the U.S. Department of State; (b) to or by parties in or relating to certain countries or territories that are the target of U.S. sanctions (currently, Cuba, Iran, Syria, North Korea, and the Crimea region of Ukraine); or (c) otherwise in violation of Export Control Laws. The export and re-export of the Pegasystems Software and Technology may also be subject to export and import controls under the laws and regulations of other countries. Client agrees, at all times, to comply fully with the Export Control Laws and the local export and import controls of other countries.
- f) Anti-Corruption. Pegasystems and Client each represent and warrant to the other: (i) that it is aware of all anti-corruption legislation that applies to this Agreement and in particular the US Foreign Corrupt Practices Act 1977 and the U.K. Bribery Act 2010; (ii) it has implemented rules and procedures that enable it to comply with this legislation and adapt to any future amendments thereto; (iii) it has implemented appropriate rules, systems, procedures and controls for preventing the commission of Corrupt Acts, either by itself or its staff, and for ensuring that any evidence or suspicion of the commission of a Corrupt Act will be thoroughly investigated and unless prohibited by confidentiality or law, reported to the other party; (iv) its records relating to its business, including accounting documents, are maintained and kept so as to ensure their accuracy and integrity; and (v) it has not made or offered or received or been offered any illegal or improper bribe, kickback, payment, gift, or thing of value from any of the other party's employees or agents in connection with this Agreement (reasonable gifts and entertainment provided in the ordinary course of business do not violate the above restriction). If a party learns of any violation of the above restriction, it will use reasonable efforts to promptly notify the other party at the address for notices above.
- g) Publicity. Pegasystems may use Client's name, logo and type of licensed software in its marketing and advertising materials.
- h) Cooperation; Usage Validation. Pegasystems and Client agree that each will execute and deliver documents, including confirmations to Pegasystems auditors, and take such other actions as may reasonably be requested to effect the transactions contemplated by this Agreement. Pegasystems reserves the right to validate Client's usage of the Software and/or Subscription Services and its compliance under this Agreement. If applicable, Client will use reporting functionality included in the Software and provide usage logs generated by the Software in connection with this usage validation.
- i) Reports and Certifications. For Subscription Services, upon request and not more than once annually, Pegasystems will deliver to Client (i) the current SSAE 18 SOC II Type 2 report or equivalent, (ii) the current PCI-DSS Attestation of Compliance, (iii) the current penetration testing summary, (iv) an executive summary of Pegasystems' Written Information Security Program and (v) executive summaries of the security, data backup, and monitoring events for the Client's Environment(s) that are currently available.
- j) Force Majeure. Neither party will be responsible for performance delays caused by circumstances outside its reasonable control.
- k) Third Party Rights. No term of this Agreement shall be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to this Agreement. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.
- l) No Waiver. Neither a failure of a party to exercise any power or right under this Agreement, nor a custom or practice of the parties with regard to the terms or performance under this Agreement, will constitute a waiver of the rights of such party to demand full compliance with the terms of the Agreement.
- m) Counterparts. This Agreement may be signed in counterparts, including facsimile or PDF counterparts or electronic signatures, each of which will be a legally binding method of execution of the Agreement.



- n) Entire Understanding. This Agreement and its Schedules constitute the entire understanding of the parties with respect to the Software and supersedes all previous agreements, statements and understandings from or between the parties regarding the subject matter of this Agreement. This Agreement also supersedes any conflicting language contained in any applicable past or future purchase order regarding the subject matter of this Agreement. In the event of any conflict between the terms of this Agreement and the terms of any Schedule, the terms of the applicable Schedule will control. This Agreement will not be modified except in a writing signed by an authorized representative of each party.
- o) Severability and Enforceability. If any portion of this Agreement is declared by a court of competent jurisdiction to be overbroad or unenforceable it shall be deemed modified to the minimum extent necessary to make it enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this Agreement and the remainder of this Agreement will be valid and enforceable to the fullest extent permitted.
- p) Governing Law. This Agreement and all non-contractual obligations arising out of or in connection with this Agreement, are to be governed by the laws of England & Wales, excluding its conflicts of laws provisions.
- q) Jurisdiction. In relation to any legal action or proceedings arising out of or in connection with this Agreement (whether arising out of or in connection with contractual or non-contractual obligations), each of the parties irrevocably submits to the jurisdiction of the English courts and waives any objection to proceedings in such courts on the grounds of venue or on the grounds that proceedings have been brought in an inappropriate forum. This clause shall not prevent any of the parties from applying for provisional measures (including interim measures).

Agreed:**Pegasystems Limited.****Client**

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**EXHIBIT A - DEFINITIONS**

"Acceptable Use Policy" means the then current policy as published from time to time at <https://www.pega.com/acceptable-use>.

"Affiliates" are those entities that control, are controlled by, or are under common control with a party to the Agreement. Affiliates may be entitled, subject to the terms of this Agreement and the applicable Schedule, to use the Subscription Services, Software, or purchase maintenance services or Professional Services. For any Schedule to which an Affiliate is a party, the Affiliate will be additionally considered the Client for purposes of the Agreement and such Schedule.

"Background Materials" means processes, methods, software (including but not limited to the Software), related documentation, designs and know-how which Pegasystems creates independently of the services for Client. Background Materials also include all tangible and intangible materials created by Pegasystems that generally apply to other Pegasystems customers, products or services and which do not include any Client Confidential Information.

"Business Contact Data" means business contact information (the names, titles and roles, business phone and facsimile numbers, business office and email addresses) of Client's or Pegasystems' employees and contractors.

"Client Application" means a unique collection of rules and processes as part of one or more new RuleSets that are created using the Software and that provide specific business functionality for the Client.

"Client Cloud" means use of the Software in Client or third party owned and controlled environments that are run and managed within private clouds or on infrastructure-as-a-service (IaaS) offerings delivered by third party providers.

"Client Data" means any information received from or on behalf of Client that is stored, transferred, or processed by the Subscription Services.

"Client Data Rights and Responsibilities" means the additional rights and obligations related to Client Data as published at: <https://docs.pega.com/pega-cloud-services-subscription-documentation/client-responsibilities-pega-cloud-services>.

"Client Support Handbook" means the terms for Pegasystems' provided support, upgrades, and updates located at: <https://docs.pega.com/supportpega-client-handbook/supportpega-client-handbook>, as may be periodically updated.

"Cloud Data Storage" means the storage location of business data and rules data in the Pegasystems database. For decisioning products (e.g., Pega Customer Decision Hub), this is the storage location for interaction history.

"Cloud File Storage" means the total aggregate storage location for files associated with features such as archive/purge, case attachments and file transfer services that is available across all provided Environments.

"Corrupt Act" means any act of seeking, authorizing, offering, promising or granting a financial or other benefit (including a payment, loan, gift or transfer of anything of value) for the purpose of inducing a private person or public official to perform his or her duties dishonestly or in breach of his or her professional, legal or contractual obligations and/or to obtain or retain business for Pegasystems and or Client in an undue or dishonest manner.

"Deliverable" means RuleSets, documents and other tangible work product that are produced by Pegasystems for Client during the course of the performance of Professional Services under a Statement of Work, excluding any Background Materials.

"Documentation" means, as applicable, the Subscription Documentation or Software Documentation.

"DPA" means the Data Processing Addendum, available at the following link: <https://www.pega.com/data-processing-addendum>.

"Environment" means one of the following Pega Cloud deployments provided by Pegasystems:

- **"Standard Sandbox"** means a service that is intended to be used for development, functional/unit testing, UAT testing of Client Applications and training. A Standard Sandbox is scaled to support up to fifteen (15) developers/users with a storage limit of 50GB of Cloud Data Storage.



- **"Large Sandbox"** means a service that is intended to support development, functional/unit testing, UAT testing, pre-production, staging, and/or training of the Client Applications. A Large Sandbox is scaled to support up to forty-five (45) developers/users with a storage limit of 100GB of Cloud Data Storage.
- **"Production Environment"** means a service that is designed, built and scaled to accommodate Client Applications to process live and/or real-time data in connection with Client's ongoing business operations and is deployed within a single geographic region. The Production Environment is scaled to support up to the licensed metrics defined in the Schedule.
- **"Production Mirror Sandbox"** means a replica of the scaled Production Environment that can be used for staging, scaled benchmark testing, and/or load performance testing or as defined in the applicable Schedule.

"Guardrail Compliant" means a Client Application with no severe warnings flagged by the Software and with a guardrail weighted score generated by the Software of ninety (90) or above as specified in the Subscription Documentation.

"Pega Cloud" means Pegasystems' subscription-based offering of Pegasystems' software capabilities for Client to build and run their Client Application(s) on Pegasystems' operated environments.

"Pega Cloud HIPAA Edition" means Pega Cloud, managed and deployed with HIPAA-eligible controls. The Pega Cloud HIPAA Edition supports the Client in deploying a HIPAA-ready Client Application to store and process protected health information within their Production Environment. Under the Pega Cloud responsibility and security model, the Client is responsible for ensuring that the Client Application adheres to all HIPAA controls.

"PII" means any Client Data or other information relating to any identified or identifiable natural person, or otherwise regulated under data privacy laws applicable to Pegasystems, that is transferred, processed or stored by the Subscription Services by or on behalf of Client.

"Professional Services" means professional services provided by Pegasystems pursuant to a Statement of Work for consulting, installation support, and access to training courses.

"RuleSet" is a named collection of configuration records created using the Software. For Pegasystems' provided RuleSets, the RuleSet names usually begin with "Pega" or the "&," "@" or ")" symbol.

"Scope of Use" means the purpose, metric and volume of use for the Subscription Services and the Software, in each case, as specified in the applicable Schedule.

"Service Level Agreement" means the Pega Cloud Production Environment availability as described at the following link: <https://docs.pega.com/pega-cloud-services-subscription-documentation/service-level-agreement-pega-cloud-services>.

"Schedule" or **"Statement of Work"** means, respectively, an agreement signed by both parties for Client to receive Subscription Services, Software, or purchase professional services from Pegasystems. Schedules and Statement of Works are referred to collectively as **"Schedules"**. Each Schedule will be non-cancelable and non-refundable, except to the extent expressly provided in this Agreement or such Schedule or under applicable law.

"Software" means the software listed in the applicable Schedule, including any enhancements, updates, upgrades, modifications or other releases provided to Client. Software may be managed by Pegasystems as part of the Subscription Services or deployed in a Client Cloud pursuant to the applicable Schedule. The Software includes Rulesets that Pegasystems provides with the Software.

"Software Documentation" consists of user manuals for the Software, which are provided to Client in electronic form at the time of delivery of the Software.

"Subscription Documentation" means the specifications and operating guides associated with the Pega Cloud as published from time to time on Pegasystems' web site at: <https://docs.pega.com/pega-cloud-services-subscription-documentation/pega-cloud-services-subscription-documentation>.

"Subscription Services" means the Pegasystems Software which is made available to Client for use on the Pega Cloud within the Scope of Use, including technical support and any enhancements, updates, upgrades, modifications, releases, Environments and data and file storage.

"Term" is as defined in the applicable Schedule.

**EXHIBIT A-1 - PEGA DECISIONING DEFINITIONS**

For the purposes of the Agreement and any Schedule where Client is licensed for Pegasystems' decisioning Software, such as Pega Customer Decision Hub, the following definitions will apply:

"Batch/Bulk Decisions" is a collection of units of work to reach a judgment (for example, determining the best offer to include in an email campaign to be sent to customers) and execute upon that judgment (for example, the delivery of the message to the email or SMS service provider). The collection of units of work are measured in number of records that can be processed within a day. Each individual unit of work must be configured by the Client to complete in a time window under 100 milliseconds. The time to pre-process data before the batch run and the time to post process and ship the identified treatments outside of Pega is excluded from the 100 milliseconds time window.

"Business Operations Environment" means a service that supports the functional simulation testing of batch/bulk decisioning processes for Pegasystems' decisioning based software applications. This service is scaled to support processing of up to 20% of the most recently engaged customer records and their interaction histories and supporting analytical models within an 8-hour window. Data refreshes from the Production Environment are orchestrated by the deployment manager up to once per day and in accordance with the licensed batch/bulk decisioning capacity defined in the applicable Schedule.

"Cloud Data Storage" means the storage location of business data and rules data in the Pegasystems database. For the Pega Customer Decision Hub applications this is the storage location for raw interaction history.

"Decision Data Storage" is the storage location for the Pega Customer Decision Hub applications. It is the storage mechanism for model learning, model monitoring, interaction history summaries, and Visual Business Director functionality. It can optionally be utilized as the data repository for supporting decisioning applications.

"Real-time Decision" is a unit of work processed in order to reach a judgment (for example, determining the top five recommended offers for a customer/prospect). Each unit of work processed is known as a "decision" and the number of decisions that can be handled is measured in decisions per second ("**DPS**"). A unit of work must be configured by the Client to complete in a time window under 200 milliseconds. The time window is counted from start of the service call to when the service call completes, excluding the time for the called system to receive the start request and the time to return the results to the calling system. Pega measures the peak DPS rate on an hourly basis. If the peak DPS rate is higher than the entitled Real-time Decision rate defined in the Schedule in four or more separate hourly periods in any week in a calendar month than Client agrees to (a) purchase up to the utilized peak DPS rate based on the rate card included in the Schedule or (b) adjust the Client Application to bring the utilized peak DPS rate below the entitled capacity in the following calendar month.

"Streaming Events" is defined as ingesting and buffering of data records, performing pattern detection, and writing or updating one summary record per event. Each data record is known as an "event" and the number of events that can be handled is measured in events per second ("**EPS**"). Event strategies must be configured by the Client to complete in a time window under 0.4 milliseconds. The time window is counted from start of the ingesting of the data records to the writing of the summary record, excluding the time for the called system to receive the start request and the time to return the results to a calling system. Streaming events may be used to trigger a Marketing Event.

**EXHIBIT B - SECURITY STANDARDS****1. Security Practices & Review**

- 1.1. Pegasystems shall maintain an information and physical security program for the protection of Client personal information and confidential information in environments and on equipment controlled by Pegasystems (the "**Pegasystems Security Program**").
- 1.2. As part of the Pegasystems Security Program, Pegasystems conducts periodic reviews of security practices against various leading industry standards, such as NIST, ISO 27001 and SSAE18 SOC2. Pegasystems regularly re-evaluates and updates the Pegasystems Security Program as the industry evolves, new technologies emerge, or new threats are identified. Upon request, Pega will maintain and make available on at least an annual basis, a reasonable information security questionnaire completed with answers concerning Pegasystems Security Program specific to the services provided under the applicable Schedule.

- 1.3. The Pegasystems Security Program consists of the following:

a. Physical Access

Pegasystems maintains physical security standards designed to prohibit unauthorized physical access to Pegasystems facilities and equipment. This is accomplished by the following practices:

- physical access to locations is limited to Pegasystems employees, subcontractors and authorized visitors;
- Pegasystems employees, subcontractors and authorized visitors are issued identification cards that must be worn while on premises;
- monitoring access to Pegasystems facilities, including restricted areas and equipment within Pegasystems facilities;
- all access to the data centers where client personal data is hosted is logged, monitored, and tracked; and
- data centers are secured with alarm systems and video cameras.

b. Access Control and Administration

Pegasystems maintains the following standards for access control and administration of the in environments and on equipment controlled by Pegasystems or Pegasystems contractors.

- administrator accounts are only be used for the purpose of performing administrative activities;
- each account with administrative privileges must be traceable to a uniquely-identifiable individual;
- all access to computers and servers must be authenticated and within the scope of an employee's job function;
- initial passwords must be changed by the user on first use;
- the display and printing of passwords must be masked, suppressed, or otherwise obscured such that unauthorized parties will not be able to observe or subsequently recover them;
- passwords must be uniquely identifiable to an individual;
- passwords must be encrypted when transmitted or stored;
- password complexity should never be less than three (3) out of four (4) character classes and must have character class choices such as upper-case letters, lower case letters, numeric digits, or special characters;
- passwords must not contain three (3) or more identical consecutive characters;
- password length must be configured to be at least twelve (12) characters;



- passwords shall expire between ninety (90) and one hundred eighty (180) days depending on its length; twelve (12) characters – ninety (90) days, sixteen (16) characters – one hundred thirty-five (135) days, twenty plus (20+) characters – one hundred eighty (180) days;
- automatic time-out of access to computers and servers if left idle with the requirement for password authentication for re-access; and
- per Pega policy, accounts must be set to lockout after six (6) erroneous failed login attempts.

c. **Virus Scanning and Logging**

- Computers and servers have commercially reasonable up-to-date versions of system security software which may include host firewall, anti-virus protection and up-to-date patches and virus definitions. Such software is configured to scan for and promptly remove or fix identified findings.
- Pegasystems maintains logs of various components of the infrastructure and an intrusion detection system to monitor, detect, and report misuse patterns, suspicious activities, unauthorized users, and other actual and threatened security risks.

d. **Encryption**

- Pega encrypts all data in transit over public networks.
- Data originating from or residing within Pega networks is encrypted at rest.

2. **Pegasystems Personnel**

- 2.1. Employees and contractors are required by policy to be trained on Pegasystems' privacy and security policies and made aware of their responsibilities regarding privacy and security practices.
- 2.2. Pegasystems employees and contractors are contractually bound to maintain the confidence of Client personal information or confidential information and comply with applicable Pegasystems policies, standards or requirements in relation to the processing of Client personal information. Failure to comply with those policies, standards or requirements will be subject to investigation which may result in disciplinary action up to and including termination of employment or engagement by Pegasystems and legal action as appropriate.

3. **Security Breach Notification and Security Incident Management**

- 3.1. Pegasystems will notify Client within twenty-four (24) hours of becoming aware of a Security Incident. A "Security Incident" means the unauthorized access to or use of Client information on environments or equipment controlled by Pegasystems affecting the confidentiality, availability and integrity of such Client confidential information. Pegasystems will provide Client with updates on the status of the Security Incident until the matter has been remediated. The reports will include, without limitation, a description of the Security Incident, actions taken and remediation plans.
 - Notice of a Security Incident shall be sent via email to the security contacts that Client designates in its Pega Support Portal (found here: <https://msp.pegacom>).
 - Similarly, if Client becomes aware of a Security Incident that affects the Services, Client shall, without undue delay, notify Pegasystems of such and inform Pegasystems of the scope of the Security Incident. Such notice from Client to Pegasystems should be provided to: SecurityBreachNotice@pegacom and/or 1-617-866-6800.



- 3.2 Proportionate to acts or omissions of Pegasystems resulting in a Security Incident, and subject to terms and limitations set forth in the Agreement, Pegasystems agrees to pay reasonable costs for: (i) required notice to individuals affected by the Security Incident; and (ii) credit monitoring service for twelve (12) months for affected data subjects, except to the extent applicable law specifies a longer period for applicable credit monitoring services, in which case such longer period shall then apply.
- 3.3 Pegasystems will, at the request and cost of the Client:
- Provide reasonable assistance to the Client in notifying a Security Incident to the supervisory authority competent under the privacy laws applicable to the Client; and
 - Provide reasonable assistance to the Client in communicating a Security Incident to data subjects in cases where the Security Incident is likely to result in a high risk to the rights and freedoms of individuals.

Pega Production Schedule

This Pega Production Schedule (the "**Schedule**"), dated _____, 20__ (the "**Effective Date**"), is part of the Pega Master Agreement dated _____, 20__ (the "**Agreement**") by and between _____ ("**Client**") and Pegasystems Limited ("**Pegasystems**"). Where there is a conflict between this Schedule and any terms of the Agreement, this Schedule will govern. This Schedule and the Agreement constitute the entire understanding of the parties with respect to the Subscription Services to be provided under this Schedule.

General Information			
Contact	Billing	Technical Advisor	Delivery



Name and Title			
Address			
Telephone			
Email			
Subscription Services and/or Software will be delivered electronically to the delivery contact listed above.			

1. Definitions

The following definitions apply to this Schedule:

A **"User"** is a person who uses the Software in a particular month.

- A **"Regular User"** is a person who uses the Software more than fifty (50) hourly periods in a calendar month.
- An **"Occasional User"** is a person who uses the Software between ten (10) and fifty (50) hourly periods in a calendar month.
- A **"Sporadic User"** is a person who uses the Software for less than ten (10) hourly periods in a calendar month.

Regular Users, Occasional Users and Sporadic Users will be the unit of measurement for work done by Client staff. The number of Regular Users, Occasional Users and Sporadic Users will be measured each calendar month based on their actual usage of the Software in that month. The Software tracks only actual use, so a person who has a User ID but does not use the Software in a month will not be counted as a User for that month. Also, for the avoidance of doubt, merely being "logged in" is not counted as actual use during inactive hours.

A **"Case"** means use of the Software for the creation, routing, updating, processing, tracking and/or resolution of a single unit of work in a production environment. A single unit of work is an individual instance of the execution of a business process (whether processed as a stand-alone case or a related case within a more extensive business process) evidenced by an assigned unique numerical identifier.

1. A "Work Management Case" means use of the Software to route and track work among people or systems for processing and completion in other transaction systems.

2. A "Work Execution Case" means use of the Software to manage the processing and completion of work, including directly updating other transaction systems.

2. Subscription Services

Software	• [Pega Government Platform (PGP) • XXX]
Pega Cloud HIPAA Edition	Yes ☐ No ☒
VPN	Yes ☐ No ☒

Environments	Deployment Region
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1 Production Environment 1 Large Sandbox 1 Standard Sandbox 1 Business Operations Environment	Select Available Region
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Cloud Data Storage for Production Environment	100 GB
Cloud File Storage for all Environments	500 GB

Production Environment Decisioning Metrics

Real-time Decisions	Batch/Bulk Decisions	Streaming Events	Decision Data Storage
Up to 5 DPS	Up to 500,000	Up to 500 EPS	Up to 100 GB

Sandbox Environment Decisioning Metrics

Real-time Decisions	Batch/Bulk Decisions	Streaming Events	Decision Data Storage
Up to 1 DPS	Up to 50,000	Up to 50 EPS	Up to 10 GB

Business Operations Environment Decisioning Metrics

Batch/Bulk Decisions	Real-time Decisions	Streaming Events	Cloud Data Storage	Decision Data Storage
Up to 500,000	0 DPS	0 EPS	Up to 100 GB	Up to 100 GB

3. Client Cloud

Software	[List software to be licensed for on Client Cloud]
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4. Scope of Use

Licensed Metric(s)	[Add #] Users
Licensed Purpose	Client may use the Software for _____.
Term	The initial term of this Schedule will be [duration in words] (in numbers) months, beginning on the Effective Date (the " Initial Term "). The Initial Term will renew for terms of equal length (each, a " Renewal Term ") upon the mutual written agreement of the parties. The Initial Term and any Renewal Terms are together referred to as the "Term."
Support and Maintenance	During the Term, for the monthly/annual fee specified below Client will receive premium support and maintenance in accordance with the Client Support Handbook.

5. Payment and Delivery



Monthly/Annual Fee	Client will pay Pegasystems a rate of £XXXX per month during the Initial Term.
Payment	Fees will be invoiced annually in advance and will be payable thirty (30) days from the date of the invoice. Once due, all fees are nonrefundable and non-cancelable.
Delivery & Acceptance	The Subscription Service and/or Software will be accepted upon delivery (" Acceptance "). This Acceptance is not dependent on any remaining services, conditions, or contingencies, and there are no other written or verbal agreements with respect to this acceptance.

6. Additional Purchase Options

During the Initial Term, Client may purchase additional usage and capacity as follows:

Subscription Services Usage	Fees
Additional block of XX Users	XXXX/month
Additional block of XX annual cases	XXXX/year
VPN Connection	£XXX/month
Cloud Data Storage (100 GB)	£XXX /month
Cloud File Storage (500 GB)	£XXX /month
Standard Sandbox	£XXX /month
Large Sandbox	£XXX /month

Client Cloud Usage	Fees
Additional block of 50 Users	XXXX/month
Additional block of 50,000 annual cases	XXXX/year

Decisioning Metrics Usage	Fees
Block of 10 Real-time Decisions per Second	£XXX /month
Block of 1,000,000 Batch/Bulk Decisions	£XXX /month
Block of 1,000 Streaming Events per Second	£XXX /month
Block of 100GB of Decision Data Storage	£XXX /month

- Purchases of additional usage and/or capacity will be exercised by sending a purchase order or written notice to Pegasystems in accordance with Section 7. The term for any additional usage and/or capacity purchased will be co-terminus with the Term of this Schedule. The terms of the Agreement will govern any purchase order, and any terms that may be printed on the purchase order will be of no force and effect.
- If Client exceeds any of its usage rights, Pegasystems will have the right to invoice Client for all additional usage and/or capacity per the pricing set forth in the table above.



7. **Notices.** Any notifications from Client to Pegasystems related to this Schedule, including additional purchases, changes to Client's General Information, or Schedule renewals or termination, will be sent to: ContractNotifications@pega.com. Client Purchase Orders will be sent to: AccountsReceivable@pega.com.

8. **Client Notification of PII Category**

In accordance with the terms of the Agreement, if Client will include in Client Data any PII then Client will identify the categories of data subjects and the types of data to be processed in the table below to facilitate each party's compliance with its respective obligations under applicable laws. If Client has not yet defined the categories of data subjects or types of data to be processed, Client agrees to provide such information in writing to Pegasystems prior to using the Subscription Services to process such data. Client will update Pegasystems in writing if there are any changes to the categories of data subjects and the types of data to be processed during the Term.

The following personal information will be processed by the Subscription Services on behalf of Client for the purposes described in this Schedule:

Categories of data subjects: []

Types of personal data to be processed:[]

Agreed.

Pegasystems Limited

By: _____

Name: _____
(type or print)

Title: _____
(type or print)

Date: _____

Client

By: _____

Name: _____
(type or print)

Title: _____
(type or print)

Date: _____