

Corel Transactional Licensing Program (CTL)  
Terms and Conditions



1. **Definitions.** Capitalized terms, as used herein, are defined in Schedule "A" annexed hereto.
2. **License Purchases.** Nothing contained in this Agreement shall be deemed to be considered as an offer to sell a Software license or a Maintenance License to Licensee. Licensee shall purchase from and pay to COREL the applicable Software Prices or to Reseller the applicable reseller price for any Software License or Maintenance License purchased by Licensee from COREL or Reseller.
3. **License**
  - 3.1 **License Terms and Conditions.** These terms and conditions shall apply to any Software License or Maintenance License purchased by Licensee from COREL or Reseller. Any Software License or Maintenance License granted by COREL is conditional upon Licensee's acceptance of these terms and conditions and Licensee's continuing compliance herewith. Licensee may accept these terms and conditions by written acknowledgment or by acceptance of, or payment for, any of COREL's products or services or in any other fashion, including the acceptance of the delivery of Software. In any event, Licensee shall be deemed to have accepted these terms and conditions unless they are expressly rejected in writing within ten (10) days of Licensee's receipt of the License Certificate. The agreement between COREL and Licensee resulting from such acceptance is hereinafter referred to as the "Agreement". The Agreement, which includes these terms and conditions, shall supersede any additional or inconsistent provision in any purchase order or elsewhere, and all such inconsistent provisions are hereby expressly rejected and shall not be binding upon COREL. Licensee hereby agrees that COREL's failure to specifically object to any such provision submitted by Licensee shall not constitute an acceptance by COREL thereof nor shall it constitute an acceptance by COREL of any waiver of, or modification to, the provisions hereof. In the event of a conflict between the EULA and these terms and conditions, these terms and conditions shall prevail.
  - 3.2 **Modifications.** COREL expressly reserves the right to modify the Software Prices and Maintenance Prices from time to time, and each payment Licensee makes shall be calculated according to prices current at time of payment. COREL also expressly reserves the right to modify these terms and conditions from time to time without notice.
4. **Software License.** Subject to these terms and conditions and the EULA and Licensee's continuing compliance therewith, COREL hereby grants Licensee the following non-exclusive and non-transferable rights to:
  - i) install as many copies of the Software as is authorized by the Software License purchased by Licensee as evidenced by the License Certificate;
  - ii) Use as many copies of the Software as is authorized by the Software License purchased by Licensee as evidenced by the License Certificate;
  - iii) Home and Laptop Use for each copy of the Special Application as is authorized by the Software License purchased by Licensee as evidenced by the License Certificate, except that Home and Laptop Use is prohibited in China, India, Vietnam and Indonesia;
  - iv) create one back-up copy of the Software in support of each authorized Use of the Software; and
  - v) Multiplatform Use for the Software.
5. **Ownership.** Save and except for the limited Software License granted to Licensee, no title to, or ownership of, or any other proprietary rights in the Software are transferred to Licensee.
6. **Maintenance**
  - 6.1 **Maintenance License.** At the time of Software License purchase, Licensee has the option of purchasing a Maintenance License from COREL or Reseller. During the Maintenance Period only, Licensee shall be entitled to the Maintenance, including Upgrades and premium support, set out in Sections 6.3 to 6.5 below. For greater certainty, Maintenance shall only be available for those Software Licenses for which a Maintenance License is purchased.
  - 6.2 **Maintenance Period.** The Maintenance License shall expire on the last day of the Maintenance Period.
  - 6.3 **Upgrades.** During the Maintenance Period and subject to these terms and conditions and Licensee's continuing compliance herewith, the Maintenance License shall entitle Licensee to the following:
    - i) to receive Upgrades from COREL or a Reseller;
    - ii) to install copies of any such Upgrades to replace copies of prior releases of the Software, up to the number of Software Licenses purchased by

- Licensee;
- iii) Use one version previous to the Software licensed under this Agreement provided Licensee obtains a current copy of the previous version of the Software and installs all further copies from the current copy; and
  - iv) Multilingual Use for some or all of the Software licensed under this Agreement.

6.4 **Limitation.** Upgrades may require Licensee to agree to additional or alternative terms and conditions other than as set out in this Agreement. If Licensee does not agree to the terms and conditions of any Upgrade license, COREL may, upon five (5) business days' notice, terminate this Agreement. In the event COREL does not provide additional license terms for the relevant Upgrade, the license terms applicable the Software shall apply to such Upgrade.

6.5 **Premium Support.** Premium technical support shall entitle Licensee to support in the amount of one (1) Incident to twenty (20) Software Licenses. Licensee shall be assigned a Service Account Manager to act as a liaison between Licensee and COREL. COREL's business hours are 8.30 AM to 5:00 PM EST. Premium technical support is only available in selected countries as specified by COREL from time to time and is only available during COREL's business hours.

## 7. Support

7.1 **Classic Support.** Subject to these terms and conditions and Licensee's continued compliance herewith, the purchase of a Software License shall entitle Licensee to receive "Classic Support", as defined from time to time by COREL in its sole and absolute discretion. As at the date hereof, Classic Support is defined by COREL to entitle Licensee to receive (i) free-of-charge electronic web-based support (i.e. Knowledge base and other online tools) and (ii) email support in respect of basic installation and configuration issues. Such support is only available in respect of the most current version of the Software. COREL will address technical support requests on a reasonable efforts basis only and may not be able to resolve all problems or requests. COREL agrees to support the Software only if it is used under appropriate operating conditions, and in conjunction with hardware systems, components and software operating systems for which it was designed. COREL reserves the right to change its Classic Support services at any time and from time to time, and without notice to Licensee.

## 8. Updates

8.1 **Updates.** COREL, in its sole discretion, may develop and deliver at no charge to Licensee one or more bug

fixes, upgrades, enhancements, replacement versions or other updates to the Software (collectively, "Updates"). Such Updates may require Licensee to agree to additional or alternative terms and conditions other than as set out in this Agreement. If Licensee does not agree to the terms and conditions of any Update license, COREL may, upon five (5) business days' notice, terminate this Agreement. In the event COREL does not provide additional license terms for the relevant Update, the license terms applicable the Software shall apply to such Update.

8.2 **Mandatory Updates.** In the event COREL provides Licensee with an Update to address a threatened or actual security breach in the Software, to replace technologies that may infringe third party intellectual property rights or for any other reason of similar significance to COREL (such Updates hereinafter referred to as "Mandatory Updates"), Licensee agrees to promptly, and in no event later than ten (10) business days after COREL provides such Mandatory Update to Licensee, cease Use of any Software that has not been updated with the Mandatory Update. If Licensee fails to comply within the timeframe specified in this Section 8.2, COREL may terminate Licensee's Software License and, if applicable, Maintenance License effective immediately upon notice to Licensee.

## 9. Licensee Obligations, Restrictions and Responsibilities

9.1 **Protection.** Licensee agrees to take reasonable steps to protect the Software and Documentation from unauthorized copying or use. Licensee shall not disassemble, decompile or reverse engineer the Software. Where Licensee has a statutory right to disassemble or decompile the Software for the purpose of obtaining information needed to achieve interoperability with other programs, Licensee agrees that such right may not be exercised unless COREL fails to respond within sixty (60) days after receipt of a written request to provide the necessary information.

9.2 **Restrictions.** Except as expressly authorized in this Agreement, Licensee shall not rent, lease, time share, sub-license, distribute, resell, transfer, copy, reproduce, display, or modify the Software.

9.3 **Responsibility.** Licensee shall be fully liable for any breach of the terms and conditions of this Agreement and each EULA by any End User.

9.4 **Audit Rights.** Licensee shall maintain adequate records evidencing its Use and licensing of the Software pursuant to this Agreement. Upon COREL's written request, Licensee shall, within seven (7) days of the date of such request, provide COREL with a

statement signed by an authorized officer or representative of Licensee evidencing Licensee's current Use of Software. During the term of this Agreement, but no more often than once per annual period or more frequently if COREL has reason to believe that Licensee is not in compliance with the licensing or reporting provisions of this Agreement, COREL may, at its own expense and upon not less than forty-eight (48) hours' prior written notice, audit Licensee's Use of the Software. If the audit shows that Licensee has understated its Use of the Software, Licensee shall immediately purchase, from COREL or Reseller, sufficient licenses to support the actual Use. If Licensee has understated its Use by more than five percent (5%), Licensee shall also pay the reasonable expenses of the audit.

9.5 Nothing in this Agreement shall be construed to warrant or imply that Upgrades or Updates will be produced for any product or, if so produced, when such Upgrades or Updates will be made commercially available.

9.6 **Confidentiality.** "Confidential Information" means all information, software, processes and materials relating to COREL, COREL's business activities and COREL's software, in whatever format. Licensee shall treat as confidential all Confidential Information and shall not use such Confidential Information except to exercise its rights or perform its obligations under this Agreement and shall not disclose such Confidential Information to any third party or to any employee of Licensee without a need to know. Information which is generally known, available or in the public domain through no fault of the receiver shall be deemed not to be Confidential Information.

## 10. Term and Termination

10.1 This Agreement is effective when Licensee receives the License Certificate and shall continue until the earlier of Licensee's (a) failure to comply with any term or condition hereof, or (b) destruction of all copies of the Software in Licensee's possession or control. COREL has the right to terminate this Agreement immediately upon notice to Licensee if Licensee is in breach of this Agreement. Upon termination, at COREL's request, Licensee shall promptly, at its own costs and expenses, return or destroy any COREL proprietary information and the Software, in all forms, including, without limitation, all summaries, copies and excerpts and those in the possession or control of its employees. At COREL's option, Licensee shall provide written certification of its compliance with this section through its senior management. For greater certainty, failure of COREL to make such request shall not entitle Licensee to make any further use of COREL proprietary information or Software, or otherwise extend

Licensee's rights set out herein, after expiration or termination of this Agreement; and Licensee specifically agrees to cease any further use thereof unless COREL and Licensee have signed a written license agreement for such use.

11. **Limited Warranty/Liability Limitation.** THE SOFTWARE IS LICENSED BY TO LICENSEE ON AN "AS IS" BASIS. IF LICENSEE RECEIVES FROM COREL OR RESELLER DEFECTIVE MEDIA OR DOCUMENTATION RELATING TO THE SOFTWARE, LICENSEE MAY RETURN THEM TO COREL WITHIN 90 DAYS OF THE DATE OF PURCHASE, AND THEY WILL BE REPLACED AT NO CHARGE. THESE WARRANTIES ARE IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, WRITTEN OR ORAL, ARISING BY STATUTE, OPERATION OF LAW, COURSE OF DEALING, USAGE OF TRADE OR OTHERWISE, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON INFRINGEMENT OF THIRD PARTY RIGHTS SATISFACTORY QUALITY, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH IMPLIED WARRANTIES ARE EXPRESSLY EXCLUDED.

IN NO EVENT WILL COREL OR ITS LICENSORS BE LIABLE TO LICENSEE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, OR ANY DAMAGES WHATSOEVER RESULTING FROM LOSS OF USE, DATA OR PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE USE OR PERFORMANCE OF COREL, THE SOFTWARE, STORAGE MEDIA, DOCUMENTATION, OR OTHER COREL PROVIDED MATERIAL WHETHER SUCH ACTION IS BASED IN CONTRACT OR IN TORT INCLUDING BUT NOT LIMITED TO NEGLIGENCE AND WHETHER OR NOT COREL HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR SUCH DAMAGES ARE FORESEEABLE.

In no event shall COREL's total liability exceed the total fees paid by the Licensee in respect of Software to COREL or a Reseller during the past calendar quarter.

12. **U.S. Government Rights.** With respect to any acquisition of the Software by or for any unit or agency of the United States Government (the "Government"), the Software shall be classified as "commercial computer software", as that term is defined in the applicable provisions of the Federal Acquisition Regulation (the "FAR") and supplements thereto, including the Department of Defense (DoD)

FAR Supplement (the "DFARS"). The Software was developed entirely at private expense, and no part of the Software was first produced in the performance of a Government contract. If the Software is supplied for use by DoD, the Software is delivered subject to the terms of this Agreement and either: (i) in accordance with DFARS 227.7202-1(a) and 227.7202-3(a); or (ii) with restricted rights in accordance with DFARS 252-227-7013 (c)(1)(ii)(OCT 1988), as applicable. If the Software is supplied for use by a Federal agency other than DoD, the Software is restricted computer software delivered subject to the terms of this Agreement and: (i) FAR 12.212(a); (ii) FAR 52.227-19; or (iii) FAR 52.227-14(ALT III), as applicable. The contractor/manufacturer is Corel Corporation, 1600 Carling Avenue, Ottawa, Ontario, Canada, K1Z 8R7.

### 13. Miscellaneous

13.1 **Binding Effect/Assignment.** This Agreement is binding upon the parties' respective representatives, successors and assigns; however, Licensee shall not assign this Agreement without the prior written consent of COREL. COREL shall be entitled to assign this Agreement to any purchaser of COREL's rights to any of the Software.

13.2 **Remedies.** Nothing in this Agreement is intended to waive or limit any remedy available to COREL at law or in equity, including without limitation any remedy available under International copyright laws.

13.3 **Survival.** The provisions of Sections 1, 2, 5, 9, 11, 12 and 13 shall survive termination or expiration of this Agreement.

13.4 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, Canada, excluding that body of law applicable to choice of law and excluding the United Nations Convention on Contracts for the International Sale of Goods and any legislation implementing such Convention, if applicable. Licensee hereby irrevocably consents and attorns to the exclusive jurisdiction of the courts of such Province. If either party employs attorneys to enforce any rights arising out of or relating to this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees. Each party waives any right, and agrees not to apply to have any disputes under this Agreement tried or otherwise determined by a jury, except where required by law.

## ACADEMIC AMENDMENTS

The following amendments are only applicable to Academic Institutions purchasing Software pursuant to the terms and conditions of this Agreement.

1. Section 4 (iii) of the Agreement shall be deleted and replaced with the following:  
  
4. (iii) Home and Laptop Use for each copy of a Special Application In Use by a faculty or staff member only, except that Home and Laptop Use is prohibited in China, India, Vietnam and Indonesia;
2. The provisions of Section 6.5 (Premium Support) do not apply to Academic Institutions purchasing Software pursuant to this Agreement.

3. Section 7.1 of the Agreement shall be deleted and replaced with the following:

7.1 **Academic Support.** Licensee shall be entitled to receive free-of-charge electronic support (i.e. Knowledge base and other online tools). COREL will address technical support requests on a reasonable efforts basis only and may not be able to resolve all problems or requests. COREL agrees to support the Software only if it is used under appropriate operating conditions, and in conjunction with hardware systems, components and software operating systems for which it was designed. COREL reserves the right to change the terms and conditions of its support offering without notice.

## Schedule "A" DEFINITIONS

The following definitions shall apply to this Agreement:

"**COREL**" means the Corel entity identified on the License Certificate to which these terms and conditions are attached.

"**Documentation**" means the documentation accompanying the Software.

"**End User**" means any individual who is authorized by Licensee to Use the Software in accordance with this Agreement.

"**EULA**" means COREL's end user license agreement as contained within the Software licensed pursuant to this

Agreement.

**"Incident"** means the resolution of a distinct technical question, problem or issue regardless of the number of telephone calls required.

**"License Certificate"** means the license certificate delivered by COREL to Licensee evidencing Licensee's Software License.

**"Licensee"** means the party identified as such on the License Certificate to which these terms and conditions are attached.

**"Home and Laptop Use"** means Use of a second copy of the Software on a portable computer or a home personal computer, so long as the second copy is never in memory or virtual memory at the same time the primary copy is in memory or virtual memory on the primary computer.

**"Maintenance"** means, in general, the provision as described in Section 6 of this Agreement.

**"Maintenance License"** means the right to receive Maintenance services and support as defined in Section 6 of this Agreement for a period of two (2) consecutive calendar years from the date of purchase of the Maintenance License.

**"Maintenance Period"** means, the period beginning on the date of purchase of the Maintenance License and which terminates on the second anniversary of the date of purchase of such Maintenance License.

**"Maintenance Price"** means the current suggested list prices for Maintenance licenses published by COREL or Reseller as amended from time to time.

**"Multiplatform Use"** means the Use of equivalent versions of the Software on applicable Windows or Macintosh operating systems (excluding Unix and Linux).

**"Multilingual License"** means the Use of any or all equivalent supported language versions of the Software in support of a single user on one machine at any one time. Nothing in this Agreement should be construed to warrant or imply that any new language version will be produced for any product or, if so produced, when such version will be made commercially available.

**"New Product"** means either an entirely new Software product or a major revision of Software released by COREL that is consistently designated by COREL as a "new product" rather than as an Upgrade. If a question arises as to whether a major revision product offering is an Upgrade or a new product, COREL's opinion will prevail, provided that

COREL treats the major revision product offering the same for its end uses generally.

**"Reseller"** means a reseller authorized by COREL to resell and distribute Software and Maintenance.

**"Software"** means, collectively, the software set out on the License Certificate and any Upgrades and Updates licensed by Licensee under this Agreement.

**"Software License"** mean a revocable, non-exclusive, non-transferable, limited license to use the Software.

**"Software Prices"** means the current suggested list prices for Software licenses published by COREL as amended from time to time.

**"Special Application"** means only the following software applications: Corel CAPTURE, CorelDRAW, Corel DESIGNER, Corel Painter, Paint Shop Pro Photo, Paradox, PHOTO-PAINT, Presentations, Quattro Pro and WordPerfect.

**"Update(s)"** has the meaning as set out in Section 8.1.

**"Upgrade"** means a revision of Software released by COREL during the Maintenance Period that is consistently designated by COREL as an "Upgrade", rather than a New Product. In most instances an Upgrade will generally be designated by a version number change in the Software immediately to either the right or the left of the decimal (e.g. version 5.1 to 6.0 or version 6.0 to 6.1).

**"Use" or "In Use"** means: (a) for a single user computer not attached to a network at the time of use, any portion of the Software that is installed in the hard drive of such computer; for single user computers attached to a network server at the time of use, the number of computers, including any input devices, on which the Software or any portion thereof is installed on the hard drive; or for single user computers attached to a multi-session server by means of a network, the maximum number of sessions executed at any one time; and

(b) for a multi-user computer, including any input device, not attached to a network, the maximum number of sessions being executed at any one time or any portion of the Software that is either installed or loaded in memory or virtual memory, whichever is greater; for multi-user computers or workstations attached to a network server use, the maximum number of sessions being executed at any one time or the number of computers on which the Software or any portion thereof is installed, whichever is greater; or for multi-user computers attached to a network by means of a multi-session server, the maximum number of sessions executed at any one time.

## ACADEMIC AMENDMENTS DEFINITIONS

The following definition amendments are only applicable to Academic Institutions purchasing software pursuant to the terms and conditions of this Agreement.

1. The definition of End User shall be deleted and replaced with the following:

**"End User"** means any individual who is authorized by Licensee and designated as a qualified Academic Institution, to Use the Software in accordance with this Agreement.

2. The definition of Licensee shall be deleted and replaced with the following:

**"Licensee"** means the party identified on the License Certificate, provided that such institutions are deemed by COREL to be qualified Academic Institutions.

3. The following definition of qualified Academic Institution shall be added to this Agreement for the academic licensing program.

**"Academic Institution"** means a public or private accredited school whose sole purpose is to provide educational instruction.

The institution must be a preschool, elementary school, secondary school, vocational school, correspondence school, junior college, college, university or scientific or technical institute accredited by associations recognized by their relevant ministry or department of education. Academic Institution includes institutions which are either supervisory or organizations of any entity meeting the qualifications set out above, such as, state departments of education, boards of education, ministries of education, and school district administrative officials, hospitals which are wholly owned or affiliated to an educational institution, public libraries which provide general library services to community, region or districts without charge, which may be supported by public or private funds and which may impose charges to users outside of its service area only, museums which own or utilize tangible objects for exhibit purposes to the general public on a regular basis which may be public or private non-profit agencies or institutions organized on a permanent basis for education or aesthetic purposes, or correctional institutions of any security level. Only registered non-profit and charitable organizations who are not affiliated to a profit making company in any way qualify. If a question arises as to whether a Licensee is a Academic Institution, COREL's opinion shall prevail.