IBM ADDENDUM FOR TAILORED FIT PRICING FOR IBM Z - DEVELOP/TEST SOLUTION

Application Development and Test Solution

This Addendum for Tailored Fit Pricing for IBM Z Application Development and Test Solution ('Addendum') modifies or is in addition to each of the following which may in effect between Client and IBM: the (i) Attachment for Country Multiplex Pricing; (ii) Attachment for IBM System z Advanced Workload License Charges ; (iii) Attachment for IBM System z Advanced Entry Workload License Charges; and (iv) Attachment for zNALC License Charges on System z (each an Applicable Attachment); and governs Client's entitlement to the special IBM Program pricing specified in this Addendum.

1. **Definitions**

(a)　　**DevTest MLC Base Charges** — the average contribution of the DevTest Workload to the software charges for a DevTest Workload Program on Eligible Machine(s) as calculated from the peak, four-hour rolling average MSUs of all the LPARs as reported on SCRT Report(s) for the DevTest MSU Base Period. This three-month average determines the DevTest MLC Base Charges.

(b)　　**DevTest MSU Base** — the average size in MSUs of the DevTest Workload as calculated from the peak, four-hour rolling average MSUs of all DevTest Workload on all Eligible Machines as reported for z/OS on SCRT Reports for the DevTest MSU Base Period. This three-month average determines the DevTest MSU Base.

(c)　　DevTest MSU Base Period — the three consecutive Reporting Periods whose SCRT Reports are used to determine the DevTest MSU Base. The oldest Reporting Period in the DevTest MSU Base Period cannot be more than six (6) months prior to the implementation of this Addendum.

(d)　　**DevTest Solution Charges** — the sum of the DevTest MLC Base Charges plus any applicable Incremental DevTest Solution Charges for a DevTest Workload Program which is part of the DevTest Workload. DevTest Solution Charges are subject to (i) changes to applicable Technology Transition Offering, and (ii) announced price changes.

(e)　　**DevTest Solution ID** — the unique 64-character Solution ID assigned to client's DevTest Solution by IBM and provided to the client via the IBM License Management Support (LMS) application available at http://www.ibm.com/software/lms.

(f)　　**DevTest Solution MSUs** — the size in MSUs of the client's DevTest Solution. The initial DevTest Solution MSUs are defined in this Addendum after selection by the client, and cannot be lower than the DevTest MSU Base.

(g)　　**DevTest Solution Name** — the name chosen by the client to identify this DevTest Workload to appear on the SCRT Report for any Eligible Machine running this DevTest Workload. The initial DevTest Solution Name is defined in this Addendum, but may be changed by the client via the LMS application.

(h)　　**DevTest Workload** — the client's Tailored Fit Pricing for IBM Z Application Development and Test Solution ('DevTest' or 'DevTest Solution') workload running on Eligible Machine(s) under the terms of this Addendum. For clarity, DevTest Workload is defined as all pre-production workload running in a client's environment.

(i)　　**Eligible Machine** – a z13, z13s, z14, z14 ZR1 or later technology as approved by IBM, in its sole discretion, to receive DevTest Solution Charges.

(j)　　**Incremental DevTest Solution Charges** — 80% off the current incremental Country Multiplex License Charges ('CMLC') price of the incremental MSUs exceeding three (3) times the DevTest MSU Base. CMLC is the price metric used for the calculation of Incremental DevTest Solution Charges. Participation in the Country Multiplex Pricing offering is not required for this solution.

(k)　　**SCRT** — the latest version of the IBM Sub-Capacity Reporting Tool or a replacement tool made available by IBM. The SCRT analyzes System Management Facilities (SMF) data and calculates the peak, four-hour rolling average MSUs used to determine the size of the DevTest Workload.

(l) **SCRT Report** — A report generated by the SCRT to enable IBM to determine the DevTest MSU Base and to determine if the size of the DevTest Workload has grown above the DevTest Solution MSUs.

2. Client Responsibilities

Client will:

a. supply to IBM the following information for section 6 of this Addendum: (i) DevTest Solution Name, (ii) DevTest Solution MSUs, (iii) machine type and serial number for all Eligible Machines where DevTest Solution will be deployed, and (iv) the list of all DevTest Workload Programs;

b. promptly install any future operating system service or Product specific service required by IBM for DevTest Solution, and implement any IBM directed technical measures to maintain DevTest Solution;

c. for each Eligible Machine for which Client qualifies for DevTest Solution, specify the DevTest Solution ID (i) to SCRT for all LPARs dedicated to DevTest Workload, and (ii) to the z/OS Workload Manager for all DevTest Workload running collocated with other workload in an LPAR;

d. for each Eligible Machine for which Client qualifies for DevTest Solution, submit monthly SCRT Reports to IBM in accordance with all terms regarding creation, management and submission of SCRT Reports specified in this Addendum and in each Attachment that is in effect between Client and IBM.

Both IBM and Client agree that SCRT Reports that reflect an increase to the DevTest Solution MSUs or to the inventory of DevTest Workload Programs on an Eligible Machine (e.g. new Program, or change in Designated Machine previously identified to IBM) will be considered to be authorization / order placed by Client without further action on Client's part, and Client authorizes IBM to make any resulting billing increase;

e. not submit an SCRT Report that uses a DevTest Solution ID which is not authorized by IBM;

f. IBM will invoice for all additional charges and other liabilities Client becomes obligated to pay if Client submits an altered SCRT Report or fails to otherwise comply with the terms of this Addendum. IBM will invoice for such charges at the moment Client submits the altered SCRT Report or otherwise fails to comply with the terms of this Addendum.

3. IBM Responsibilities

IBM will, subject to Client's compliance with this Addendum, apply the DevTest Solution Charges to DevTest Workload Programs, as reported by SCRT and in accordance with this Addendum and the Attachments.

4. IBM Rights

IBM may reject any SCRT Report that reflects data generated by or otherwise concerning an ineligible or unauthorized DevTest Solution ID.

5. General

a. Client may only receive DevTest Solution Charges for application development and test workloads. All application development and test workload must be included in the DevTest Workload.

b. Client may not use the DevTest Solution to run production workload.

c. Client may only have one (1) Application Development and Test Solution.

d. Monthly charges and one-time charges for software in the DevTest Workload will be based upon the DevTest Solution MSUs. For the avoidance of doubt, the DevTest Solution represents a full capacity billing environment.

e. Non-capacity based MLC programs, which include Flat Workload License Charges (FWLC) and Tiered Workload License Charges (TWLC) programs, continue to be licensed per their announced pricing metric and terms. These programs and associated charges are not included in the Eligible Programs listing in section 6.e.

f. For IPLA one-time charge programs, the license entitlement requirement is limited to the total physical MSU capacity available within the enterprise.

g. The previously announced Multi-Version Measurement (MVM) licensing terms that replaced Single Version Charging (SVC) and Migration Pricing Option for MLC programs, and the Migration Grace Period for IPLA programs, also applies to programs in the DevTest Solution.

h. DevTest Solution MSUs may be increased (as described in section **Error! Reference source not found.**), but they may not be lowered.

i. DevTest Solution Charges for all DevTest Workload Programs are based upon the DevTest Solution MSUs.

j. When adding new capacity-based MLC programs or features to a DevTest Solution, charges will be calculated as though they were present during the initial sizing of the DevTest Solution. This ensures that the benefits of the DevTest Solution are also applied to these new programs.

k. You may remove existing capacity-based MLC programs or features from your DevTest Solution by sending 30 days' written notice to IBM. Associated charges for those MLC programs or features will then cease and you will no longer be entitled to run those programs or features within your DevTest Solution.

l. Client may cancel their DevTest Solution and terminate this Addendum for any reason by sending 30 day written notice to IBM. Following such cancellation Client may not initiate a new DevTest Solution for at least 36 months.

6. **Client Specific Information As Part of the Addendum**

a. DevTest Solution Name

b. DevTest MSU Base

c. DevTest Solution MSUs

d. DevTest Solution machines for initial deployment (must be z13 or later generation):

Machine Type	Machine Serial

e. Capacity-based IBM Monthly License Charge Eligible Programs in the initial DevTest Workload and initial DevTest Solution Charges:

IBM Program and Feature Name	DevTest Solution Charges

DevTest Solution Charges are subject to (i) changes to applicable Technology Transition Offering, and (ii) announced price changes.

f. One-time charge Eligible Programs in the initial DevTest Workload:

IBM Program Number	IBM Program and Feature Name

g. Limited Use License one-time charge Eligible Programs in the Initial DevTest Workload:

IBM Program Number	IBM S&S Program Number	IBM Program and Feature Name	Limited Use Value Units

Limited Used License Terms:

1. The quantity of each Limited Use DevTest Workload Program may be executed only within the DevTest Solution, and may not be executed outside the DevTest Solution;

2. Client may convert a Limited Use DevTest Workload Program license to a full use license for an additional charge at any time prior to termination of the associated Addendum;

3. Upon any termination of this Addendum, Client must either discontinue use of the quantity of each Limited Use DevTest Workload Program or promptly convert, for an additional charge, each Limited Use DevTest Workload Program license to a full use License.

This Addendum, including its Supplements, each Applicable Attachment and the Agreement identified is the complete agreement regarding the Tailored Fit Pricing for IBM Z Application Development and Test Solution. Additional or different terms in any written communication from Client (e.g. purchase order) are void.

This Addendum, including any Supplements, and Applicable Attachments is the complete agreement regarding the Tailored Fit Pricing for IBM Z Enterprise Consumption Solution. Additional or different terms in any written communication from Client (e.g. purchase order) are void.   Client accepts the terms by issuing a Purchase Order incorporating the GSA terms by reference.