Semaphore Cloud Subscription Service Hosting Addendum

Last Updated: 19 September 2024

The terms and conditions of this Semaphore Cloud Subscription Service Hosting Addendum ("**Hosting Addendum**") are supplemental to (a) any Order Document that incorporates this document by reference and (b) any other terms and conditions incorporated by reference in the Order Document, including, without limitation, the Software License and Services Agreement or any other license agreement expressly referenced in the Order Document ("**Agreement**") and the Terms and Conditions and Conditions Applying to Semaphore Cloud Subscription Support Services or any other support terms and conditions expressly referenced in the Order Document ("**Support Terms**"). "**Order Document**" means the document executed by Progress Software Corporation (or its Affiliate) ("**Supplier**") and the party making the purchase ("**Customer**"), pursuant to which Customer orders and Supplier accepts to supply the Semaphore Services. In the event of any conflict by and among the Order Document, the Agreement, the Support Terms and/or this Hosting Addendum, the order of precedence will be: first, the Order Document; second, this Hosting Addendum; third, the Support Terms; and fourth, the Agreement. Any capitalized terms used but not defined in this Hosting Addendum will have the meaning ascribed to them in the Order Document, Support Terms or the Agreement. The Semaphore Services referenced in this Hosting Addendum constitutes a "Cloud Subscription Service" as that term is defined in the Agreement and all terms in the Agreement applying to a Cloud Subscription Service apply to the Semaphore Services referenced herein.

1. **Definitions**.

   "**Beta Services**" means Supplier services that are not generally available to customers.

   "**Content**" means information (such as 3rd party taxonomies and ontologies) obtained by Supplier from its content licensors or publicly available sources and provided to Customer pursuant to an Order Document, as more fully described in the Semaphore Documentation.

   "**Customer Data**" means electronic data and information submitted by or for Customer to the Purchased Services or collected and processed by or for Customer using the Purchased Services, excluding Content and Non-Supplier Applications.

   "**Malicious Code**" means code, files, scripts, agents or programs intended to do harm, including, for example, viruses, worms, time bombs and Trojan horses.

   "**Non-Supplier Applications**" means software application(s) that is/are provided by Customer or a third party and interoperates with the Semaphore Services, including, for example, an application that is developed by or for Customer.

   "**Purchased Services**" means the Semaphore Services that Customer purchases (or, if the Agreement allows for Customer to permit its Affiliates to exercise its rights under the Agreement, a Customer's Affiliate purchases) from Supplier under an Order Document.

   "**Semaphore Documentation**" means Supplier's online user guides, documentation, and help and training materials, as updated from time to time, accessible via https://portal.smartlogic.com for which Customer will receive a login id from Supplier.

   "**Semaphore Services**" means the products and services that are ordered by Customer under the Order Document and made available online by Supplier, including associated offline components, as described in the Semaphore Documentation. "Semaphore Services" excludes Content and Non-Supplier Applications.

   "**User**" means an individual who is authorized by Customer to use the Semaphore Services, for whom Customer has ordered the Semaphore Services, and to whom Customer (or Supplier at Customer's request) have supplied a user identification and password. Users may include, for example, Customer's employees, consultants, contractors and agents, and third parties with which Customer transacts business.

2. **Supplier Responsibilities**.

2.1. **Provision of Purchased Services**. Supplier will (a) make the Semaphore Services and Content available to Customer pursuant to the Agreement, the Order Document and this Hosting Addendum, (b) provide Supplier's standard support as detailed in the Support Terms for the Purchased Services to Customer at no additional charge and (c) use commercially reasonable efforts to make the online Purchased Services available 24 hours a day, 7 days a week, except for: (i) planned downtime (of which Supplier shall give at least 8 hours electronic notice), and (ii) any unavailability caused by circumstances beyond Supplier's reasonable control, including, for example, an act of God, act of government, flood, fire, earthquake, civil unrest, act of terror, strike or other labor problem, internet service provider failure or delay, Non-Supplier Application, or denial of service attack.

2.2. **Protection of Customer Data**. Supplier will maintain commercially reasonable administrative, physical, and technical safeguards for the protection of the security, confidentiality and integrity of the Semaphore Services and Customer Data, as described in the

Semaphore Documentation. Those safeguards will include, but will not be limited to, measures for preventing access, use, modification or disclosure of Customer Data by Supplier personnel except (a) to provide the Purchased Services

and to the extent necessary to prevent or address service or technical problems, (b) as compelled by law in accordance with the terms of the Agreement, or (c) as Customer expressly permits in writing in advance. Supplier will provide the Semaphore Services from data centers and/or facilities that are audited annually against SSAE 16 standards and are ISO 27001 certified. Supplier will actively monitor the Semaphore Services for indications of compromise. Except as otherwise agreed by the parties in the Order Document, the Semaphore Services, the cloud infrastructure environment, or any portion thereof, and any of Supplier's personnel or the personnel of Supplier's Affiliates, contractors or service providers with access to the Customer Data under the license granted in section 6.3 below may, at Supplier's sole discretion, be located in the United States or any other country in which Supplier or its Affiliates, or their respective contractors or service providers maintain facilities. Customer may set up and manage Customer's specific password policy using Microsoft Active Directory, which will connect to the Azure authentication layer. Using MS Active Directory, Customer will have the ability to provide login and password management for the Semaphore Services as delivered by the functionality of Microsoft Active Directory.

2.3. **Supplier Personnel**. Supplier will be responsible for the performance of its personnel (including the employees and contractors of Supplier and its Affiliates) and their compliance with Supplier's obligations under this Hosting Addendum, except as otherwise specified herein.

2.4. **Beta Services**. From time to time, Supplier may invite Customer to try Beta Services. Customer may accept or decline any such trial in Customer's sole discretion. Beta Services will be clearly designated as beta, pilot, limited release, developer preview, non-production, evaluation or by a description of similar import. Beta Services are for evaluation purposes and not for production use, are not considered "Semaphore Services" under this Hosting Addendum, are not supported, and may be subject to additional terms. Unless otherwise stated, any Beta Services trial period will expire upon the earlier of one year from the trial start date or the date that a version of the Beta Services becomes generally available. Supplier may discontinue Beta Services at any time in its sole discretion and may never make them generally available. Supplier will have no liability for any harm or damage arising out of or in connection with a Beta Service.

3.   Use of Semaphore Services and Content.

3.1. **Subscriptions**. Unless otherwise provided in the Order Document, (a) Semaphore Services and Content are purchased as subscriptions, (b) subscriptions may be added during a subscription term at the then-current pricing applicable at the time of purchase, prorated for the portion of that subscription term remaining at the time the subscriptions are added, and (c) any added subscriptions will terminate on the same date as the underlying subscriptions.

3.2. **Usage Limits**. Semaphore Services and Content are subject to usage limits, including, for example, the quantities specified in the Order Document. Unless otherwise specified, (a) a quantity in the Order Document refers to Users, and the Semaphore Service or Content may not be accessed by more than that number of Users, (b) a User's password may not be shared with any other individual, and (c) a User identification may be reassigned to a new individual replacing one who no longer requires ongoing use of the Semaphore Service or Content. In addition, there are Usage limits detailed in the Order Document that may limit the number of transactions. If Customer exceeds a contractual usage limit, Supplier may work with Customer to seek to reduce Customer's usage so that it conforms to that limit. If, notwithstanding Supplier's efforts, Customer is unable or unwilling to abide by a contractual usage limit, Customer will execute an Order Document for additional quantities of the applicable Semaphore Services or Content promptly upon Supplier's request, and/or pay any invoice for excess usage in accordance with the fee terms set forth in the Agreement.

3.3. **Customer Responsibilities**. Customer will (a) be responsible for Users' compliance with the Agreement, the Order Document and this Hosting Addendum, (b) be responsible for the accuracy, quality and legality of Customer Data and the means by which Customer acquired Customer Data, (c) use commercially reasonable efforts to prevent unauthorized access to or use of Semaphore Services and Content, and notify Supplier promptly of any such unauthorized access or use, (d) use Semaphore Services and Content only in accordance with the Semaphore Documentation and applicable laws and government regulations, and (e) comply with terms of service of Non-Supplier Applications with which Customer uses Semaphore Services or Content.

3.4. **Usage Restrictions**. Customer will not (a) make any Semaphore Services or Content available to, or use any Semaphore Services or Content for the benefit of, anyone other than Customer or Users, (b) sell, resell, license, sublicense, distribute, rent or lease any Semaphore Services or Content, or include any Semaphore Services or Content in a service bureau or outsourcing offering, (c) use Semaphore Services to store or transmit infringing, libelous, or otherwise unlawful or tortious material, or to store or transmit material in violation of third-party privacy rights, (d) use Semaphore Services to store or transmit Malicious Code, (e) interfere with or disrupt the integrity or performance of any Semaphore Services or third-party data contained therein, (f) attempt to gain unauthorized access to any Semaphore Services or Content or its related systems or networks, (g) permit direct or indirect access to or use of any Semaphore Services or Content in a way that circumvents a contractual usage limit, (h) copy Semaphore Services or any part, feature, function or user interface thereof, (i) copy Content except as permitted herein or in the Order Document or the Semaphore Documentation, (j) frame or mirror any part of any Semaphore Services or Content, other than framing on Customer's own intranets or otherwise for Customer's own internal business purposes or as permitted in the Semaphore Documentation, (k) access any Semaphore Services or Content in order to build a competitive product or service, or (l) reverse engineer any Semaphore Services (to the extent such restriction is permitted by law).

3.5. **External-Facing Services**. If Customer subscribes to Semaphore Services for creation and hosting of external-facing websites, Customer will comply with and be responsible for Users' compliance with all applicable laws, for examples, in any use of cookies or other tracking technologies on such websites.

3.6. **Removal of Content and Non-Supplier Applications**. If Supplier is required by a licensor to remove Content or receives information that Content provided to Customer may violate applicable law or third-party rights, Supplier may so notify Customer and in such event, Customer will promptly remove such Content from Customer's systems. If Supplier receives information that a Non-Supplier Application hosted on Semaphore Services by Customer may violate Supplier's External-Facing Services or applicable law or third-party rights, Supplier may so notify Customer and in such event, Customer will promptly disable such Non-Supplier Application or modify the Non-Supplier Application to resolve the potential violation. If Customer does not take required action in accordance with the above, Supplier may disable the applicable Content, Semaphore Services and/or Non-Supplier Application until the potential violation is resolved.

3.7. **Content Ownership**. Content, for example in the form of semantic models such as taxonomies and ontologies, may be provided to Customer as detailed in the Order Document. Content is provided on a licensed basis only and Supplier (or its partners) retain all ownership, rights, and title in the Content. Supplier (or its partners) may make changes or enrichments to the Content either on Supplier's own initiative or by Customer's request, and these changes will be exclusive to Supplier. Customer agrees that such changes and edits to the Content shall not create any new intellectual property for Customer and Customer agrees not to make any type of derivative work from the Content and abide by the terms in the Agreement, the Order Document and this Hosting Addendum.

4. **Non-Supplier Providers**.

4.1. **Acquisition of Non-Supplier Products and Services**. Supplier or third parties may make available third-party products or services, including, for example, Non-Supplier Applications and implementation and other consulting services. Any acquisition by Customer of such non-Supplier products or services, and any exchange of data between Customer and any non-Supplier provider, is solely between Customer and the applicable non-Supplier provider. Supplier does not warrant or support Non-Supplier Applications or other non-Supplier products or services, whether or not they are designated by Supplier as "certified" or otherwise, except as specified in the Order Document.

4.2. **Non-Supplier Applications and Customer Data**. If Customer installs or enables a Non-Supplier Application for use with Semaphore Services, Customer grants Supplier permission to allow the provider of that Non-Supplier Application to access Customer Data as required for the interoperation of that Non-Supplier Application with the Semaphore Services. Supplier is not responsible for any disclosure, modification or deletion of Customer Data resulting from access by a Non-Supplier Application.

4.3. **Integration with Non-Supplier Applications**. The Semaphore Services may contain features designed to interoperate with Non-Supplier Applications. To use such features, Customer may be required to obtain access to Non-Supplier Applications from their providers and may be required to grant Supplier access to Customer account(s) and data on the Non-Supplier Applications. If the provider of a Non-Supplier Application ceases to make the Non-Supplier Application available for interoperation with the corresponding Semaphore Services features on reasonable terms, Supplier may cease providing those Semaphore Services features without entitling Customer to any refund, credit, or other compensation.

5. **Fees and Payment for Purchased Services**.

5.1. **Fees**. Customer will pay all fees specified in the Order Document, and except as otherwise specified herein or in the Order Document, (i) fees are based on Semaphore Services and Content purchased and not actual usage, (ii) payment obligations are non-cancellable and fees paid are non-refundable, and (iii) quantities purchased cannot be decreased during the relevant subscription term.

5.2. **Payment**. Except as otherwise specified in the Order Document, payment will be due in accordance with the payment terms specified in the Agreement.

5.3. **Suspension of Semaphore Service and Acceleration**. If any amount owing by Customer under the Order Document, the Agreement or any other agreement for Supplier services is 30 or more days overdue, Supplier may, without limiting its other rights and remedies, accelerate Customer's unpaid fee obligations under such agreements so that all such obligations become immediately due and payable, and suspend Supplier services to Customer, including without limitation, any Semaphore Services, until such amounts are paid in full. Supplier will give Customer at least 10 days' prior written notice that Customer's account is overdue before suspending services to Customer. Notwithstanding anything to the contrary in the Agreement, any notice provided by Supplier pursuant to this section 5.3 may be provided by Supplier by email to the Customer business contact specified in the Order Document.

6. Proprietary Rights and Licenses and Confidentiality.

6.1. **Reservation of Rights**. Subject to the limited rights expressly granted hereunder, Supplier and its licensors reserve all right, title and interest in and to the Semaphore Services, Content, and Beta Services, including all related intellectual property rights. No rights are granted to Customer hereunder other than as expressly set forth herein.

6.2. **License by Supplier to Use Content**. Supplier grants to Customer a worldwide, non-exclusive, limited-term license, under Supplier's applicable intellectual property rights and licenses, to use Content acquired by Customer pursuant to the Order Document, subject to the terms of the Order Document, this Hosting Addendum, the Agreement and the Semaphore Documentation.

6.3. **License by Customer to Host Customer Data and Applications**. The ownership and all rights in all Customer Data that is uploaded, input, transmitted, created, stored, generated, compiled, derived, or processed by or on behalf of Customer with(in) the Semaphore Services is retained by Customer. Customer grants Supplier and its Affiliates a worldwide, non-exclusive, limited term license to host, copy, transmit and display Customer Data, and any Non-Supplier Applications and program code created by or for Customer using Semaphore Services, as necessary for Supplier to provide the Semaphore Services in accordance with this Hosting Addendum. Subject to the limited licenses granted herein, Supplier acquires no right, title or interest from Customer or its licensors under this Hosting Addendum in or to Customer Data or any Non-Supplier Application or program code. Customer shall determine what Customer Data to upload, input, transmit, create, store, generate, compile, derive or process within(in) the Semaphore Services and the level of access to such Customer Data granted to Supplier and/or its Affiliates. Customer's control over granting access to the Customer Data includes, without limitation, determining the extent to which Customer enables any capabilities that allow Supplier and/or its Affiliates and the Semaphore Service to read Digital Rights Management (DRM) protected documents in order to classify them in the Semaphore Service.

6.4. **License by Customer to Use Feedback**. Customer grants to Supplier and its Affiliates a worldwide, non-exclusive, perpetual, irrevocable, royalty-free license to use and incorporate into the Semaphore Services any suggestion, enhancement request, recommendation, correction, or other feedback provided by Customer or Users relating to the operation of the Semaphore Services and/or Beta Services.

6.5. **Confidentiality**. Without limiting the confidentiality terms set forth in the Agreement, the parties acknowledge that Customer Data is Confidential Information of Customer and Semaphore Services, Beta Services and Content are Confidential Information of Supplier and subject to said confidentiality terms.

7. Representations and Warranties. Supplier warrants that (a) this Hosting Addendum, the Order Document and/or the Semaphore Documentation accurately describe the applicable administrative, physical, and technical safeguards implemented in the Semaphore Services for protection of the security, confidentiality and integrity of Customer Data, (b) Supplier will not materially decrease the overall security of the Purchased Services during a subscription term, (c) the Purchased Services will perform materially in accordance with the applicable Semaphore Documentation, and (d) subject to section 4.3 (Integration with Non-Supplier Applications), Supplier will not materially decrease the functionality of the Purchased Services during the remainder of the then-current subscription period. For any breach of an above warranty, Customer's exclusive remedy is to terminate the Agreement (and the Semaphore Services) in accordance with termination provisions of the Agreement and receive a refund of any prepaid unused fees for the remainder of the term of the Order Document. The warranties set forth in this section 7 are made to and for the benefit of Customer only. For the avoidance of doubt, the warranty disclaimers set forth in the Agreement remain in full force and effect. Additionally, to the maximum extent permitted by applicable law, Content and Beta Services are provided "AS IS," exclusive of any warranty whatsoever. Supplier disclaims all liability and indemnification obligations for any harm or damages caused by any third-party hosting providers.

8. Indemnification. In addition to the indemnification provisions set out in the Agreement, Customer will defend Supplier against any claim, demand, suit or proceeding made or brought against Supplier by a third party alleging that Customer Data, or Customer's use of any Semaphore Service or Content in breach of the Agreement, infringes or misappropriates such third party's intellectual property rights or violates applicable law (a "**Claim Against Supplier**"), and will indemnify Supplier from any damages, attorney fees and costs finally awarded against Supplier as a result of, or for any amounts paid by Supplier under a court-approved settlement of, a Claim Against Supplier, provided Supplier (a) promptly gives Customer written notice of the Claim Against Supplier, (b) gives Customer sole control of the defense and settlement of the Claim Against Supplier (except that Customer may not settle any Claim Against Supplier unless it unconditionally releases Supplier of all liability), and (c) gives Customer all reasonable assistance, at Customer's expense.

9. Term and Termination.

9.1. **Term of Purchased Subscriptions**. The term of the subscription is set forth in the Order Document. Except as otherwise specified in the Order Document, subscriptions will automatically renew for additional periods equal to the expiring subscription term or one year (whichever is shorter), unless either party gives the other notice of non-renewal at least sixty (60) days before the end of the relevant subscription term. The per-unit pricing during any automatic renewal term is subject to increase. Unless

otherwise set forth in the Order Document, Supplier will provide Customer with a written quotation of the price for the renewal term at least ninety (90) days prior to the expiration of the initial term or then-current renewal term, as applicable. Any notice provided by Supplier pursuant to this section 9.1 may be provided by Supplier by email to the Customer business contact specified in the Order Document.

9.2. **Termination**. A party may terminate the Order Document, and the subscription to the Semaphore Services described in the Order Document, only as contemplated by the termination provisions set out in the Agreement.

9.3. **Customer Data Portability and Deletion**. Upon termination of Customer's subscription to the Semaphore Services, Customer may submit a written request to Supplier (no later than thirty (30) days immediately following the termination of the Semaphore Services) for Supplier to make the Customer Data available to Customer to export or download as provided in the Semaphore Documentation and Supplier will make the Customer Data so available. After that thirty (30) day period, Supplier will have no obligation to maintain or provide Customer Data and will thereafter delete or destroy all copies of Customer Data in Supplier's possession/control as provided in the Semaphore Documentation, unless such deletion or destruction is legally prohibited.

9.4. **Surviving Provisions**. In addition to the provisions expressly referenced in the Agreement as surviving termination of the Agreement, the following sections of this Hosting Addendum will survive any termination or expiration of the Agreement or the Customer's subscription to the Semaphore Services: 5, 6, 8, 9.3 and 10.

10. <u>**Third-Party Beneficiaries**</u>. Supplier's Content licensors shall have the benefit of Supplier's rights and protections hereunder with respect to the applicable Content. There are no other third-party beneficiaries under the Agreement, the Order Document or this Hosting Addendum.

11. <u>**Changes to the Semaphore Services or These Terms**</u>.

11.1. **Changes to the Semaphore Services**. Supplier may add, modify, or discontinue any Content or any product, component or feature of the Semaphore Services; provided that, subject to section 4.3 (Integration with Non-Supplier Applications), Supplier will not materially decrease the functionality of the Semaphore Services during the remainder of the then-current subscription period. Information about material changes to the Semaphore Services will be made available in the release notes published on the customer portal. Any additions or modifications to the Semaphore Services or Content may be subject to additional terms and conditions which will be included in an update to this Hosting Addendum implemented in accordance with section 11.3 below.

11.2. **Successor to the Semaphore Services**. Supplier may, at its discretion, replace the Semaphore Services with a successor service with equivalent or better functionality (except as otherwise contemplated pursuant to section 4.3 (Integration with Non-Supplier Applications) and/or rebrand the Semaphore Service at any time during the Customer's subscription term, provided that any such successor service or re-branding will not result in any additional charges to Customer during such subscription term.

11.3. **Changes to These Terms**. Supplier may update the terms set forth in this Hosting Addendum from time to time by posting a revised version at https://www.progress.com/legal. Modified terms that relate to modifications or additions to the Semaphore Services will be effective at the time such modifications or additions to the Semaphore Services are made in accordance with section 11.1 above. Modified terms that are required by law will be effective immediately. All other modified terms will be effective at the commencement of your renewal subscription period occurring immediately following the posting of the revised version of this Hosting Addendum.