## License Agreement

PRL LTD (www.prlsim.com) hereinafter referred to as the "**Licensor**" on the one hand and Licensee (for a corporate license plan "Licensee" also includes affiliate and/or subcontractor companies, as defined in section 4) on the other hand have concluded the present Agreement to the following effect:

## 1. Subject-Matter of the Agreement

1.1 The Licensor shall confer to the Licensee for a one time payment in the manner and on terms stated in the present Agreement the following rights:

• non-exclusive royalty-free license to the Program – a version of Petroleum Refining Library for Anylogic chosen by the Licensee from the list-offer published by the Licensor at the PRL website or sent to Licensee by e-mail. Description of the Program and list of rights granted to the Licensee are stated in Appendix A to the Agreement.

• additional rights, as mentioned in sections below

This document is a generic template which applies to all possible combinations of:

• software products (Petroleum Refining Library for Anylogic (Commercial , Advanced Commercial  license))

• purchase types (initial purchase or support agreement prolongation)

• license types (single developer, company-wide, etc.; see section 4)

• responsibility and applicable law choices (see section 6)

Specific values of these parameters are listed in the invoice issued by Licensor.

## 2 Accepting the Agreement

2.1 Prior to accepting the agreement both sides:

• choose method and time of payment (plastic card or bank transfer, pre-payment or post-payment)

• inform each other about their intention to enter into the Agreement. The Licensor declares its intention by making price list and text of this Agreement available to the Licensee. The Licensee declares its intention by entering information into the order form (or by contacting the Licensor through other means)

2.2 Licensor accepts agreement by sending a scanned version of an invoice to the Licensee. Licensee accepts Agreement by making a payment under this Agreement (signing the Agreement is not mandatory). Acceptance by one party (e.g. Licensor) does not oblige another party to accept the Agreement.

2.3 Licensee may ask some third party (including, but not limited to, procurement company) to do payment and/or enter information into the order form. In this case Licensee accepts Agreement by acting according to the Agreement – downloading commercially licensed version of the Program, using it according to the Agreement terms, etc. Similarly, Licensor may use third parties to deliver the Program to Licensee and assign payments under the Agreement to third parties.

2.4 PRL is delivered under standardized terms (PRL License Agreement), which may be customized upon Licensee's request; however, any such customization must be explicitly authorized by Licensor by signing a copy of the modified license agreement template, and must be explicitly mentioned in the invoices issued under agreement.

Any non-standard terms offered by Licensee (or some third party, e.g. procurement company) as a part of Purchase Order (if present) do not take precedence over standard

terms of PRL License Agreement. Whilst Licensor may reference a PO number on a quote or invoice for tracking and record keeping, it does not mean that Licensor accepts PO terms and conditions.

Precedence of PRL License Agreement over any other Terms and Conditions is clearly indicated in the present Agreement, quotations and invoices issued by Licensor. Any attempt to enforce non-standard terms offered by Licensee or some third party is considered as a breach of PRL License Agreement for the purposes of clause 5.2.

Making payment under invoice issued by Licensor means acceptance of its terms by Licensee (and/or third party performing payment). It is the responsibility of the party performing such payment to contact PRL Project in case of any disagreement with invoice/agreement terms.

## 3. Validity Period of the Agreement, Amending the Agreement

3.1 Licensee receives the right to use the Program under terms of present Agreement for an unlimited period.

3.2 Licensee may pay for a period of support and maintenance, which includes delivery of updates (new releases). The Licensor may offer a separate license agreement or additions to the present Agreement for updates received within the support period. In this case new releases will be delivered under new licensing terms, but Licensee will retain the right to use old releases under old licensing terms.

3.3 After the support period is over, it can be repeatedly prolonged at the Licensee's initiative, at the Licensor's consent, in accordance with prices established by the Licensor for such service.

## 4. Pricing and licensing model

4.1 This paragraph contains definitions of concepts which are used by clauses below.

• developer – is a computer programmer, i.e. person who writes source code in one of the computer programming languages. Testers and technical writers are not considered developers (unless they write source code in addition to their duties).

• using Program – writing source code which calls Program functions.

• company – a person or legal entity (including sole proprietorship)

• to control company – to own directly/indirectly more than 50% of this company or to have the majority power to direct or cause the direction of the management or policies of the entity, whether through the ability to exercise voting power, by contract or otherwise

• affiliate company – any company that controls Licensee, is controlled by Licensee, or is controlled by some affiliate which also controls Licensee

• subcontractor company – any company (not necessarily affiliate) which performs software development for Licensee, with development result being owned by Licensee and not the subcontractor

4.2 Named-N license is tied to N particular person(s), and can be used only by that person(s).

4.3 Dev-N license can be used by no more than N developers in total, with all developers working for the same company. Actual persons who use Program may change, as long as no more than N developers work with Program simultaneously (within one month).

4.4 Company-wide license is tied to one particular company. It can be used by an unlimited number of developers working for that company.

4.5 Corporate license is tied to a "primary Licensee" and its affiliates and/or subcontractors (who share rights and obligations under Agreement). It can be used by an unlimited number of developers working for Licensee and its affiliates and/or subcontractors.

4.6 To get acquainted with the basic capabilities of PRL, you can also use the "free to try version". This version has certain limitations (see www.prlsim.com), and should not be used when creating external Applications.

4.7 By applying for a specific license plan Licensee states and agrees that:

a) it carefully evaluated its needs and found that his usage complies with license plan

b) it will contact Licensor and ask it for an upgrade of license upon discovering that his usage does not comply with requirements of license plan. The difference between then-current "old" license plan and then-current "new" license plan will be paid.

## 5. Termination of the Agreement

5.1 The Licensee may terminate the Agreement:

a) within 30 days after Agreement effective date (unconditional money back guarantee), in which case Licensor shall return the payments received at its account under the Agreement

b) in other cases, as specified in section 7 (Warranties).

5.2 The Licensor may terminate the Agreement in case:

a) initial payment under the Agreement has failed to enter designated account and Licensee and/or party performing payment on behalf of License is culpable for this failure. The Licensor shall keep this right till the date of receipt of payment.

b) in case of breach by the Licensee of other terms of the Agreement, provided that at least one of the following is true: (1) the violation was intentional, (2) the request to promptly stop the violation was ignored, (2) the violation was not successfully cured within a reasonable amount of time.

5.3 In case of termination of the Agreement the Licensee shall not have the right to use the Program and shall immediately destroy all copies of the Program made by it including backup copies.

5.4 In case Agreement is terminated for any reason except for stipulated in 5.1.a, 5.2.a or 5.6.a, Licensee's Clients retain right to use products which contain the Program or parts thereof, as long as their usage complies with present Agreement.

5.5 In case Agreement is terminated for reason stipulated in 5.1.a, 5.2.a or 5.6.a, Licensee's Clients do not have right to use Program or parts thereof. It is Licensee's responsibility to make sure that copies of the Program shipped to its Clients will be destroyed upon termination of the Agreement.

5.6 Sanctions / national laws compliance. Additionally, the Licensor has the right to stop providing support services and/or (depending on the circumstances outlined in clauses 5.6.a and 5.6.b below) unilaterally terminate the Agreement if it is determined that such an activity is prohibited under relevant national laws (including, but not limited to, sanctions packages and national security laws). Here, a relevant national law is a national law that applies to the Licensor, its affiliates, employees, directors, shareholders and/or persons of significant control due to any of the following: (1) company's registration address, place of doing business or place of financial activities, and (2) individual's citizenship, location, place of residence or center of vital interests.

5.6.a If the Program was initially purchased via means that did not allow the Licensor to perform preliminary checks for the compliance (e.g. via reseller or by paying with a plastic card and immediately downloading the software), then the Licensor has 7 business days to perform such a check since the moment it gets notified about the sale. In this case, the Agreement can be terminated in full according to clauses 5.3 and 5.5, in which case the Licensor shall refund the initial payment under the Agreement to the Licensee.

5.6.b In all other cases, the Licensor has the right to stop providing support services under the Agreement as soon as Licensor determines that doing so violates relevant national laws, but has no right to unilaterally terminate the Agreement and no right to request Licensee and its Clients to stop using the Program.

## 6. Applicable Law (Applicable Jurisdiction)

6.1 Applicable law may be set to that of the Licensor's state or Licensee's state (as agreed upon by both parties and specified in the invoice).

6.2 If the present Agreement is regulated by the legislation of the Licensor's state, then this Agreement, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by, and construed in accordance with, the laws of location of the Licensor.

6.3 If the present Agreement is regulated by the legislation of the Licensee's state (different from that of Licensor's), both sides agree that Licensor's total liability under this Agreement will be limited to twice the amount of money received from Licensee under this Agreement. In the event Licensee wishes to initiate legal action against Licensor, the defendant shall have the right to demand the dispute be resolved by paying the party wishing to file a law suit liquidated damages in an amount not to exceed the amount specified in item 6.3 and entering into a full and final settlement.

## 7. Warranties
## Part I: intellectual property issues

7.1: this set of warranties (Part I) is provided by Licensor to those Licensees who have active support and maintenance agreement.

7.2.a The Licensor warrants that it has the right to license the Program and that the Program does not infringe third parties' intellectual property rights. If a third party claims that the Program infringes any patent issued in the Applicable Jurisdiction, copyright, or trade secret, Licensor shall, at its option: a) defend Licensee against such claim at Licensor's expense provided that Licensee promptly notify Licensor in writing of the claim, allow Licensor to control the defense of such claim, and cooperate with Licensor in the defense or any related settlement negotiation, b) secure for Licensee the right to continue to use the Program, c) modify or replace the Program so it is non-infringing. Licensor has no obligation for any patent claim based on a modified version of the Program, or its combination, operation, or use with any product, data, or apparatus not provided by Licensor. This clause (paragraph) states Licensor's entire obligation to Licensee with respect to any claim of infringement.

7.2.b The Licensor also warrants that (a) it has disclosed in appendix B all third-party software (including but not limited to: open source software, or highly-optimized computational cores provided by hardware vendors, or other software) included in or

provided with the Program along with the licenses for any such third-party software, and (b) Licensor is in compliance with all licenses for such third-party software.

7.3 If the Licensee's right to use the Program gets restricted because of third parties intellectual property rights, against which Licensor has warranted, Licensee has the right to discontinue use of the Program and require Licensor to return license/support fees previously paid under this agreement.

**Part II: support and maintenance**

7.4 The Licensor warrants that, as long as support and maintenance agreement is in force, it will: a) deliver new versions of the Program to Licensee. b) provide support through electronic communication with response time no more than one business day (taking into account time difference between Licensor's and Licensee's locations). c) investigate reports about purported errors and either 1) use reasonable efforts to fix errors in the Program, 2) provide Licensee with workarounds for such errors, 3) explain in details why seemingly unexpected behavior of Program is in fact expected (not a bug). Failure to provide services mentioned in this clause gives to Licensee the right to discontinue use of the Program and require Licensor to return license/support fees paid within the last 365 days.

7.5 The Licensor warrants that price for prolongation of the support and maintenance agreement won't exceed 30% of the then current license price. In the event Licensee does not purchase Maintenance and Support services for some period and chooses to enter into a new Maintenance and Support contract at a later date, Licensor may, depending on its licensing and pricing policy at the moment, charge Maintenance and Support fees for the periods that were not covered.

7.6 Maintenance and support does not cover the following: a) any problem caused by modifications to any version of the Program not made or authorized by Licensor, b) any problem caused by use of the undocumented features (feature is considered undocumented if it is not described by Reference Manual) c) errors in any version of the Program other than the most recent release.

**Part III: faultless and uninterrupted functioning**

7.7 Both sides agree that it is impossible to deliver complex software product which is guaranteed to be 100% errorfree. Furthermore, numerical algorithms usually have some limitations (with regards to problem non-degeneracy, dimensionality, etc.) and it is impossible to warrant that a numerical algorithm will work no matter what. Taking this into account, the Licensor shall not provide any guarantee as regards faultless and uninterrupted functioning of the Program except for the warranties granted by the Part II above (support and maintenance).

**Part IV: other issues**

7.8 Warranties (express or implied) not stipulated directly in the present Agreement are excluded to the maximum extent permitted by law. The Licensor shall not be liable for any direct or indirect consequences of any use or improper use of the Program and/or damage caused to the Licensee and/or third parties as a result of any use or disuse of the Program including the possible faults or failures of the Program functioning to the maximum extent allowed by the applicable legislation.

7.9 Privacy and confidentiality. Licensor warrants that Program does not access data which were not explicitly and knowingly passed to it (i.e. it has no spyware inside, no matter how it is called). Future versions of Program may include "distributed" and/or "cloud" processing capabilities, but Licensor warrants that Program in its default configuration will perform only local data processing and won't activate remote communication facilities unless being explicitly and knowingly configured to do so.

## 8. Miscellaneous

8.1 In case a competent court considers any provisions of the present Agreement invalid all other provisions of the Agreement shall remain in force.

8.2 Licensee may transfer the Program and its rights under present Agreement to some third party on a permanent basis, provided that Licensee retain no rights under the Agreement and that the recipient agrees to the terms of the Agreement. This clause does not cover Named-N licenses which are tied to particular persons and can not be transferred. Any other ways of sharing rights under the present Agreement with third parties (rent, lease, etc.) are prohibited, unless they are explicitly allowed by the Agreement.

8.3 Program may include optional third-party components (including, but not limited to, highly-optimized computational cores provided by hardware vendors), distributed in compiled *.jar and/or source code forms. These components are distributed separately from the main PRL distribution and may have their own licensing terms.

## 9. Appendices

Following appendices are included into the present Agreement:
• Appendix A, which describes the Program and specific rights being transferred
• Appendix B, which discloses third-party components included into the Program and their licenses

LICENSOR:                                    LICENSEE:

## APPENDIX A DEFINITIONS:

PRL – software delivered by Licensor to Licensee under present Agreement. PRL may include *.jar Components (compiled version) and Source Code Components (depending on the license). PRL includes integrated third party software as defined by clause 1 of the Appendix B which is considered as a part of PRL for the purposes of the present Agreement. Optional third party software (as defined by clause 2 of Appendix B) is not considered as a part of PRL (even when such software is bundled with PRL) and has its own licensing terms.

Application - program developed by Licensee (either standalone application or software development library) which includes PRL as one of its parts .

Sublicensee - any party (including resellers) which receives Application from Licensee or another Sublicensee.

Application License Agreement - agreement which governs usage/redistribution of the Application.

## LICENSE GRANT:

Subject to the License Restrictions below, Licensor grants to Licensee the following non-exclusive royalty-free licenses:

A. To modify Source Code Components of PRL and to use modified version on the terms of this Agreement.

B. To develop Applications which use PRL and to distribute such Applications in *.jar and/or Source Code forms, with PRL either statically or dynamically linked. This right is granted provided that:

• distribution of Source Code forms of Application/PRL is performed subject to additional conditions set by clause H (this clause is not applied to *.jar-only distribution)
• such Applications add significant primary functionality different from that of the PRL.
• such Applications do not expose PRL API (application programming interface) either directly or indirectly
• Sublicensee has no right to use PRL except as part of the Application
• any subsequent redistribution respects conditions of the present Agreement

C. To use Resellers for distribution of the Application (in *.jar or Source Code forms), provided that the only activity Reseller performs with Application is redistribution.

LICENSE RESTRICTIONS:

D. Licensee/Sublicensee may NOT use, copy or distribute PRL except as provided in this Agreement.

D2. Licensee/Sublicensee may NOT rent or lease PRL to any third party.

E. Licensee/Sublicensee may NOT disassemble, reverse engineer, decompile, modify jar Components of PRL or compiled forms of Source Code components.

F. Licensee/Sublicensee may NOT remove any copyright notice from the Source Code / jar Components.

G. Licensee/Sublicensee may NOT disable/remove code which checks for presence of license keys (if such code is included in PRL) from the Source Code / jar Components.

H. Distribution of Source Code forms of Application/PRL must be performed subject to additional conditions:

• Source Code Components of PRL are distributed only as part of the Application. They are not publicly distributed. Sublicensee must explicitly accept PRL License Agreement in order to access PRL source code.

• Sublicensee has no right to redistribute Application/PRL Source Code, unless Sublicensee is Reseller who is fully compliant with conditions set by clause C.

• Sublicensee has no right to modify PRL Source Code, except for the purpose of fixing bugs

• Sublicensee has no right to workaround "use PRL only as part of the Application" limitation by sequentially modifying Application in a way which effectively creates new program with different purpose. Application License Agreement shall (a) explicitly forbid such modifications, or (b) allow only limited set of "safe" modifications (developing plugins, fixing bugs, modifying only specific parts of the Application).

COPYRIGHT: Title to the PRL and all copies thereof remain with Licensor. The PRL is copyrighted and is protected by local copyright laws and international treaty provisions. You will not remove any copyright notice from the PRL files. You agree to prevent any unauthorized copying of the PRL. Except as expressly provided herein, Licensor does not grant any express or implied right to you under Licensor patents, copyrights, trademarks, or trade secret information.

## APPENDIX B  THE DISCLOSURE OF THE THIRD-PARTY COMPONENTS AND THEIR LICENSES:

1. The PRL library integrates with the Anylogic simulation system (www.anylogic.com), which is a separate stand-alone application and is purchased by the user from an official representative www.anylogic.com. You must purchase Anylogic and accept the terms of the license agreement to use PRL in your calculations.

2. PRL includes (deeply integrates at the source code level) following open source components whose licenses allow them to be relicensed under PRL License Agreement:

• lpSolve – is free to use open source library, that helps to solve different types of linear programming tasks. Copyright 1991, 1999 Free Software Foundation

• javaILp – is a java interface to integer linear programming (ILP) solvers. There exist several ILP solvers, free or commercial, that offer a java interface.  Java ILP is licensed under LGPL. Copyright 2008, Martin Lukasiewycz