



Licensing & Services Policy

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Tesseral software package (*Products*) is developed, supported and marketed by **Tesseral Technologies** (*Producer*).

- Different *Products* are denoted as **Variants** (*Tesseral <Var>*) and have different from each other application and/or hardware platform.
- **Version** of the Product is a particular its realization as result of its incremental development. They are usually indexed as *v.n.m*, where *n* - number, *m* –modification.
- **Configuration** of *Tesseral* may consist from combination of its Variants, depending client's hardware and requirements.
- **Licensed configuration** of *Tesseral* is determined taking into account:
 - ✓ *particular applications,*
 - ✓ *economy and*
 - ✓ *available equipment.*
- *Main* fully functional *Product* is a **Tesseral Workplace variant**. To it may be linked other *Tesseral auxiliary Variants and Utilities*.
- *Tesseral Workplace* also may have different **level-editions: standard, professional**, etc.
- *Main Product* can have some **optional functionalities**, which can be included with client's agreement for additional price.

Tesseral Technnologies provides to the Client its *Products and Services* basing on the latest published **Price List**. From the *Client's* side it looks as purchase of the *License* of the *Tesseral software package*.

Order of registration license acquisition

It may depend on Client's preferable practices and modes of usage: *Licensing, Leasing* or *Remote Service providing (RSP)*. For first two modes order may look like this:

1. Initially *Tesseral*, on request of *Potential Customer*, provide the official price list and other documents of general nature.
2. *Tesseral* may provide to *Potential Customer* temporary license for its *Products* for 2 months evaluation period.

3. Then *Tesseral*, on request of *Potential Customer*, may provide Commercial Proposal (CP) in a form of *Quote*, which specifies the products, their configuration and trade discounts. Latter depends on the particular deal.
4. Conditions and cost of *Licensing and Support (M&S)* are usually specified in the *License Agreement*. *Tesseral* at request may provide examples of *License Agreement*.
5. The *License Agreement* is finalizing conditions of the purchasing and following licensing and *M&S*.
6. Then *Tesseral* provides the *Invoice* (a simplified version of the *Quote*) to the Purchaser's accounting department. Permanent license key is sent to the buyer after payment. All these conditions are also usually prescribed in the *License Agreement*.

The following describes the main provisions and terms for *Tesseral* products and services.

Maintenance and Support (M&S) Services

Producer is assuring **M&S (maintenance and support)** of the *Product(s)* via its **Customer Service** by answering to user's questions and concerns and current fixing of discovered bugs. Part of M&S is also providing **upgrades of the products** (current version fixes and next versions).

Licensing options

1. When particular configuration of the *Product* is installed, depending on the *Client* choice, may be used one of **licensing options** to each **configuration unit** where a separate license is required:
 - a) with electronic key, when the generated *alphanumeric* license key is encoding the unique parameters of equipment on which the configuration unit is installed; First step: **outgoing alphanumeric code** is generated after the package is installed. It must be sent to the *Customer Service* e-mail address along with the enquiry letter. Second step: then user receives **incoming alphanumeric key**, with which the configuration unit is becoming fully operational.
 - b) with **USB (hard) key**, when – the package unit may work on a workstation only when this key (with unique encoding) is plugged in.
2. **Single user option: a)** is binding the (software) *Product* with particular equipment (workstation) and it is not transferable to another one; for licensing option **b)** the *Product* units may be installed on different workstations, but may be working only with inserted uniquely encoded USB key. This key usually has encoded particular version and configuration of the product.
3. **Floating (or Network) License option:** license is provided via local network server in both above **a)** and **b)** cases and is controlling number of simultaneously used *Products (number of seats)*.
4. Each of licensing options also includes date until which the package may be used – **temporary license**, or do not have this limitation – **permanent license**. Temporary *alphanumeric* license is particularly useful when the package is provided to a potential client for *evaluation period (usually 2 months)*.
5. **Upgrade to a next version** may also require changing of a license key for a package unit. USB key may be remotely encoded to more expensive configuration or prolonged licensing period (for example, via internet) by the Company's M&S service.

Acquisition by the Client of particular configuration of *Company's Products and Services* is supported by the corresponding **License Agreement** which contains specific information, as well as rights and liabilities of both sides.

Producer's Pricing Policy

Producer is dedicated to provide users of its *Product(s)* with upgrades of its constantly developing *Product(s)* in accordance to the market needs, and also to feedback from the *Clients*. General policy is to keep prices on our *Products and Services* stable. Nevertheless, *Producer* may have to correct its pricing policy in a result of the product(s) development and general changes in economy. Price List is providing basis for the *Company* and a (potential) *Client* for selecting the best suitable configuration for licensing. The *trade discount* for the license of a particular package unit may be then negotiable between potential *Client* and *Producer*. For *educational institutions and Client's training facilities*, depending on particular profile, may be granted considerable discounts.

Maintenance and Support (M&S)

amounts to **17% annually from nominal price of the acquired or leased license**. *Company* is providing this service to *Customer* as a part of the *Product's* value and quality. If nominal price of acquired license is bigger than one of the *one Workplace Professional level-edition*, corresponding discount from the nominal price is provided.

Leasing

1. *Product(s)* can be leased up to 24 months period, after which the leasing license will become permanent. Such kind of the license acquisition is equivalent to **buying the package license in tranches**. Conditions of such leasing are following:
 - a) Minimal term of renting the package is 6 months (2 quarters);
 - b) Rent for a quarter is 12.5% from the nominal price of the licensed package configuration. 5% interest is added for the price of each quarter leasing;
 - c) Minimal term of continuation of the leasing is 3 months (1 quarter);
 - d) After full price of the package license will be paid as renting fees, the leasing license is converted to permanent. Client have right to convert the leasing license to permanent at each time by paying remaining difference in price of the permanent license and already paid renting fees.
2. The variant of continual leasing of the *Product(s)* (**ongoing leasing**) is also an option. In this case price of the license leasing is 25% annually from nominal price of rented configuration of the package. M&S is included at additional price.

Remote Service Providing (RSP)

With the introduction of the *Tesseral Cloud Software facility* you now have the option to use the *Tesseral* corporate hardware infrastructure to gain Internet based access to the software for evaluation purposes, rental of facilities, and easy access to collaborative consulting services.

Training

Producer as option can provide a 3-5 day **Training course** of *Techniques of Full-wave and Ray-tracing Seismic Modeling basing on Tesseral Geo Modeling Suite*. Depending on agreement with the *Client* company this training may be done via the internet conferencing capabilities or in one of the *Producer's* or *Client's* facilities. Cost of the training course includes: training (number of days), travel faire (if applicable) and relating expenses. *Please, see the Company's Price List for corresponding numbers. Consulting sessions* and *Training courses* for software's users may be purchased separately or as a part of overall sale.

Upgrade (as a part of M&S)

1. During continuous development of the product corresponding prices may be changed once in a year only and for user (*Client* Company), which is paying annual M&S and licensing fees it may only influence amount of the next M&S payment. Such, mostly gradual, **increases of the Product pricing** depend on different general economy variables.
2. *Company* accordingly with development of its *Product(s)* may propose **replacing of the old product** by the new one with broader or step-wise enhanced functionalities which relate directly to the much better applicability of the *old Product*. This replacement is considered as *enhancement of the old Product*. The price of such enhancement is including difference in current prices between the new enhancing product and old one with possible discounts depending on number of years of continual payment for M&S.
3. In case if the *Client* decides **continue using the old Product** and still pay M&S for it, the *Company* will provide this service for next years. In this case *Company* shall encourage the *Customer* to adapt the newer versions or after some time (usually 3 years) the *Client* have to make decision whether to acquire license for the *new enhanced Product* or use the *old Product* without following M&S.