# Workday Universal Contract Documents
# Frequently Asked Questions *(US Public Sector)*

Thank you for reviewing Workday's contract documents. As you review the attached documents, we hope this FAQ will help you better understand what is being purchased and how Workday's enterprise cloud service model works. This FAQ does not form part of the contract and is provided for informational purposes only and will not be a part of the final agreement package.

**1. What is my organization purchasing from Workday?**

Workday provides fully functional enterprise cloud applications through the Internet using a genuine one-to-many cloud delivery model. Our customers upload their Customer Content to Workday's Software as a Service (SaaS) solution and configure the Service application to leverage the features required for the customer's internal business purposes. All customers are on the same release version of the Workday Service applications. Workday provides its Service on a single code line so that all customers on a specific application are on the same release using the same operational infrastructure and the same security and support operations.

**2. How is Workday's Service different from installed, on premise software?**

Workday's cloud-based, mobile, and in-memory object-oriented applications operate on a true one-to-many business model. Application service providers offer a customizable model, where each customer is treated differently – essentially, they offer outsourced hosting of installed software. Workday's one-to-many business model is different and allows for a more cost-effective delivery of solutions by ensuring that all customers are always on the same release version. Customers avoid costly and disruptive upgrades. As Workday rolls out new feature releases, customers can adopt new features on their own time, which makes Workday's cloud applications highly configurable by each customer.

**3. How does Workday protect the Customer Content in the Service?**

Protecting the security and privacy of our Customers' Content is one of Workday's top priorities. Workday maintains a comprehensive security program that takes into account the state of the art, the nature and purposes of the Service, the type of Customer Content in the Service, the legal environment in which Workday operates, and our customers' need for security and confidentiality. Workday monitors, evaluates, and adjusts this security program in light of changing technology and the changing legal and business environments in which it operates. More details are described below and in Question 4 below.

**Data Security**

**Controls:** We employ rigorous security measures at the organizational, architectural, and operational levels and we are committed to investing in world class technology compliance programs. Workday's cybersecurity compliance program was deployed to enhance privacy and security, build trust and provide assurance to our customers that their Customer Content and Workday's applications and infrastructure are secure. The cornerstone of our cybersecurity compliance program is our independent third-party audits, industry standard ISO certifications, and detailed self-assessment evaluations that Workday completes annually and makes available free-of-charge to customers via self-service framework. The list of applicable privacy and compliance documentation that Workday makes available to our customers includes, but isn't limited to:

- SOC 1 and SOC 2 audit reports;
- ISO 27001, ISO 27017, ISO 27018 and ISO 27701 certificates;
- Shared Assessments SIG questionnaire;
- CSA CAIQ questionnaire;
- Web & Mobile Applications Independent Security Report
- Networks and Systems Independent Security Report
- Disaster Recovery (DR) Plan and Executive Summary
- Workday Continuity Strategy & Plan
- Tier II CyberGRX Assessment Report
- Transfer Impact Assessments Whitepaper
- Code of Conduct

In combination, all of these materials:

- Provide an in-depth view into Workday's data privacy, data security, and operational processes and control environments related to Workday's provision of the Service; and
- Enable our customers to conduct (via self-service) risk assessments of Workday's provision of the Service.

The validation of the operational effectiveness of our control environment is facilitated through the independent third-party auditor testing procedures performed and summarized in the Audit Reports, which are made available to our customers at any point during the subscription Order Form term. Thus, customers have independent verification of and visibility into the security controls protecting their data. Further, Workday contractually commits that it will not materially decrease the protections provided by the controls set forth in Workday's Security Exhibit and Audit Reports during the Agreement Term.

**Data Privacy**

**Universal Data Processing Exhibit:** The MSA includes a link to an exhibit that details the terms and conditions applicable to Workday's processing of Personal Data. This DPE provides our customers with contractual protections relating to Workday's compliance with data protection laws applicable to Workday as a data processor.

**Additional Disclosure Restrictions:** In Section 3 of the MSA, Workday contractually commits to use Customer Content to provide the Service, subject to the terms of the Agreement.

**4. Why can't my organization's security and privacy exhibits be joined to the contract?**

Workday maintains a formal and comprehensive security program designed to ensure the security and integrity of each customer's data, to protect against security threats and data breaches, and to prevent unauthorized access to the data of its customers. The specifics of Workday's security program are detailed in our Universal Security Exhibit, our third-party security audits, and international certifications. As a true cloud provider, Workday operates a multi-tenanted platform where all customers share a platform and single version of the Service with logical segregation between customers. All our security controls are designed from the ground up for a cloud environment with security controls applied to each applicable application, including all environments where data from our customers is present. Workday commits to not materially decrease the protection of the controls provided by our Audit Reports (e.g., applicable SOC1, SOC2) and the Universal Security Exhibit. In addition, our privacy controls are described in our Universal Data Processing Exhibit, so customers have contractual commitments that Workday complies with data protections laws applicable to Workday in our role as a data processor. These controls form part of our one-to-many business model and enable Workday to meet its security and data privacy commitments while also enabling Workday to continually enhance, evolve, and develop our security and privacy programs to the benefit of all customers equally. This means, however, that we cannot contractually commit to individual customers' security and privacy standards, terms, or policies without breaking our one-to-many business model. In order to provide transparency, visibility and continuous assurance to our customers as to the effectiveness of our security and privacy controls Workday conducts independent third-party audits and makes the result of these audit reports available to our customers upon request.

**5. How do we get our data back when the relationship ends?**

Customers always own their Customer Content throughout the course of the relationship (see Section 3, "Proprietary Rights"). Customers can download copies of their Customer Content stored in the Service at any time during the Term. Workday has a standard process for a final data download during the customer's subscription term and upon termination of relationship, which can be found in the MSA (see Section 9.2, "Retrieval of Customer Content").

**6. Does Workday offer an SLA?**

Yes, Workday has a service level availability policy for applicable Service applications as specified in the Order Form(s), so customers always know Workday's commitments regarding service levels. The success of Workday's cloud delivery business model is predicated upon the efficiency of our one-to-many infrastructure. Since Workday delivers its Service applications from the same operational business model for our entire customer base, the applicable SLA cannot be modified on a customer by customer basis. Workday provides Service Credits in the event of certain SLA Failures; these can be found in the SLA Service Credit section of the Agreement.

**7. What is Workday's pricing methodology?**

Workday's business model is structured on a subscription price model based on number of employees, users, other size metrics, and, for some Service applications, usage. During the subscription Order Term, the subscription fee may not be reduced. Thus, Workday cannot accommodate a customer's request to decrease its payment obligations to Workday based upon a reduction in customer's employee/user count or applicable usage metric regardless of the reason for such reduction (customer downsizing, customer acquired by another entity, customer divestiture of an affiliate, etc.).

**8. Does Workday provide protection against fraud in the selection process?**

Yes. Workday addresses concerns about procurement fraud a little differently from what some customers may be used to, but still offers robust protection against fraud during the selection process. Workday does not attach the RFx or proposal to its agreements, as this methodology isn't consistent with Workday's one to many business model. Workday's Service is highly configurable but not customizable. Additionally, Workday provides numerous updates that increase functionality and can provide stronger security and other protections over time. Therefore, it is quite likely that the Service has improved between the time a prospective customer issues an RFx, vendors respond, the customer reviews and awards, and the parties begin negotiations. Workday's frequent release schedule means that any proposal describing features and functionality is a snapshot in time which becomes outdated in part by the next release. Although the configuration/deployment process is shorter with Workday's Service than with typical installed software equivalents, there are likely to be multiple additional updates by the time the Workday Service goes live, making the proposal substantially out of sync with what is being delivered.

Instead of warranting to functional specifications in the RFx or attaching responses to the contract, Workday provides an ongoing warranty to the Workday Documentation (which is the administrative guide for the Service) that persists for the lifetime of the subscription. Workday's Documentation is online and available to customers as part of the Workday Service. This means that instead of warranting for a finite period, Workday will be warranting that as long as a customer subscribes to the Workday Service, it will materially conform to its then-current Documentation. Additionally, Workday warrants that changes to the Workday Service will not materially decrease functionality of the Workday Service. Accordingly, customers receive a long-term warranty that functionality will not materially degrade despite changes in delivery technology. Furthermore, Workday does not limit its direct liability for fraud, so our customers have a strong protection against any kind of fraud in the procurement process. We believe that these protections offer a much stronger protection than what has typically been provided for commercial software. When vendors attach RFx and proposals to contracts, they usually do so in a way which provides a warranty that is either only for the version of the software that was current when the proposal was written, or only for a very limited time (1-2 years), so it would often expire before the customer was using the solution in production.

**9. Does Workday offer an acceptance test period?**

Workday's cloud-based business delivery model is fundamentally different from other business delivery models. Since Workday runs the Service for all customers on a single code line, the viability of the Service has already been demonstrated by the existing customers who run their businesses on the same single code line. Thus, the concept of an acceptance test is made obsolete and does not exist in Workday's business model.

**10. Will Workday permit customers to audit Workday?**

Most Workday customers rely upon the independent third-party audits, industry standard ISO certifications, and detailed self-assessment evaluations that Workday completes annually and makes available free-of-charge to customers via self-service framework. As such, we strongly encourage our customers to rely upon and use Workday's existing privacy, compliance, and security materials instead of performing any unique assessment reviews and electing to participate in Workday's fee-based customer audit program. Workday's customer audit program is Workday's fee-based audit-as-a-service offering that enables customers to conduct compliance reviews of our data security, data privacy, and other operational processes and supports their relevant audit requirements related to Workday's provision of the Service to the customer.

**11. Does Workday offer unlimited liability or a broad indemnification for all harm arising from the contract?**

Workday does not offer unlimited liability in most situations, nor does it agree to a broad indemnification clause. Workday understands that our customers are concerned about the protection of their Customer Content and the

remedies available in the event of a breach. Workday has developed a structure unique in the industry because it covers the primary costs associated with a breach of personally identifiable information, providing an exceptionally high level of protection for our customers.

- **Specified Remediation Costs *outside* Limitation of Liability:** In Section 8.3 of the MSA, Workday agrees to pay certain remediation costs and such costs are *not* subject to any limitation of liability. Specifically, in the event that any unauthorized disclosure of or access to Personal Data is caused by Workday's breach of its security or privacy obligations, Workday will pay the reasonable and documented costs incurred by Customer in connection with the following items: (1) costs of any required forensic investigation to determine the cause of the breach, (2) providing notification of the security breach to applicable government and relevant industry self-regulatory agencies, to the media (if required by applicable law) and to individuals whose Personal Data may have been accessed or acquired, (3) providing credit monitoring service to individuals whose Personal Data may have been accessed or acquired (for a specified period), and (4) operating a call center to respond to questions from individuals whose Personal Data may have been accessed or acquired (for a specified period). These four items represent the full extent of remediation costs Workday will cover outside the limitation of liability.
- **Indemnified claims and direct damages arising out of "bad acts" are not subject to limitation**: Workday includes several standard carveouts from its general limitation of liability, including its intellectual property indemnification obligation and damages arising from deliberate wrongdoing, gross negligence, and fraud. Workday will not consider adding simple negligence to these carve outs because we do not act like an insurer.
- **Other Damages / Breaches are subject to Limitation of Liability:** Workday also agrees to uncapped liability for our intellectual property indemnity as set forth in Section 7 of the MSA and for breaches arising out of our gross negligence, willful misconduct or fraud as set forth in Clause 8.1 of the MSA. A fundamental principle of Workday's business model is that any other damages and any other breaches of the Agreement are subject to a limitation of liability (see Section 8.1 of the MSA).
- **To reduce uncertainty, Workday characterizes certain damages as direct**. Government fines and third-party claims arising from a party's breach are considered direct damages but are not indemnified or unlimited (unless one of the "bad acts" carve outs applies).

**12. What are the Contract Documents?**

- ***Public Sector Addendum***: Contains industry specific terms applicable to Workday's US-based public sector customers. This Addendum modifies and/or is additive to the MSA and takes precedence over the MSA in the event of a conflict between terms.
- ***Universal Main Subscription Agreement***: General business and legal terms for all Workday Services.
- ***Order Forms***: Incorporate the terms of the Main Subscription Agreement and describe a specific Service subscription, training product subscription, or a defined consulting subscription. The Main Subscription Agreement is not designed for deployment engagements, which are handled under a Professional Services Agreement. Some Workday offerings are not part of the core Workday Service and additional terms for those offerings are attached to the applicable Order Form.
- ***Universal Security Exhibit***: This sets forth the minimum-security controls and procedures that Workday agrees to follow. Given the fact that the Workday Service is operated on a single code line through a shared environment and infrastructure, the security controls used by Workday apply to all customers. **This document is available at https://www.workday.com/en-us/legal/contract-terms-and-conditions/index.html and Workday does not modify its shared environment, infrastructure, or security controls for individual customers.**
- ***Universal Data Processing Exhibit***: Incorporates additional terms required by data protection laws. **This document is available at https://www.workday.com/en-us/legal/contract-terms-and-conditions/index.html and Workday does not modify its shared environment, infrastructure, security or privacy controls for individual customers.**

- ***Professional Services Agreement ("PSA")***: **used only if a customer is purchasing the deployment services directly from Workday**. Has general business and legal terms related to the delivery of consulting and deployment services. If your organization is purchasing these services directly from Workday, most of our customers have found it most efficient to wait until we have completed negotiations over the Agreement to begin on the PSA; in fact, our PSA leverages the business/legal issues in the Agreement which are the same across both types of services. That said, the ownership, warranty and warranty remedies, IP infringement remedies, limitation of liability, and termination rights are different in the PSA due to the different nature of the services and will not be imported word for word.
- ***Delivery Assurance Order Form:*** **used only if a customer is purchasing the deployment services from a Workday Partner (no PSA or SOW required).** Maps out specific check points in the deployment process for identified SKUs where Workday verifies the Partner deployment process is proceeding in accordance with Workday guidelines and requirements.
- ***Statement(s) of Work***: Incorporate the terms of the PSA and describe a specific consulting engagement, generally for deployment of Workday's Services.

**A quick word about redlining.**

Workday has provided certain contract documents in PDF format. In general, the PDF format documents are ones that represent Workday's one-to-many model infrastructure and operational policies and procedures and are not modified for individual customers, either in the document or indirectly through modification in other documents. In the event Workday provides certain contract documents in Word format, the Word documents will be provided in a format that allows redlined changes but does not allow customers to accept those changes. Workday tracks all changes carefully in order to have a complete record of the negotiation. You can modify comments, so one effective way to solicit internal contributions without having Workday "see" them is to have one official "scribe" who makes redlined changes and asks all other reviewers to just use the comments feature in Word, which the scribe can remove or edit before returning to Workday. Workday can generate redlines showing changes from any two specified versions upon request. We also ask that you not strip our locking off and send us a document that has been generated without the metadata from our document management system included; such documents are not capable of the automated comparisons that our document management system can generate and importing, comparing, and verifying such documents is a labor intensive project that will delay negotiations and final signatures, which may affect any time-based pricing incentives provided by Workday.

**Workday's Signature Process**

Workday uses Adobe Sign, an electronic signature tool which allows parties to sign electronically. Use of this process is **strongly** preferred by Workday, as it ensures the document was not altered, the document is confidential, and both Workday and the customer can track where the document is in the signature process. Many of Workday's activation processes are triggered based on the electronic signature. It is Workday's policy that the customer signs first. Use of wet signatures, or requests that Workday sign first may delay final signatures, which may affect time-based pricing incentives provided by Workday.

# US Public Sector Addendum

This US public sector addendum ("**Public Sector Addendum**" or "**Addendum**") is incorporated into and forms part of the Universal Workday Main Subscription Agreement, which is available at https://www.workday.com/en-us/legal/universal-contract-terms-and-conditions/index.html or as executed by Workday and Customer ("**MSA**" or "**Agreement**").

This Public Sector Addendum applies to United States government customers, including but not limited to entities of the United States Federal Government (each, a "Federal Customer"), as well as state entities, local entities, or public education entities created by the Laws (including constitution or statute) of the applicable state (each, a "SLED Customer"). Workday also reserves the right, at its sole discretion, to offer this Public Sector Addendum to US-based (i) private higher education entities, (ii) quasi-public entities (not otherwise qualified as a Federal Customer or a SLED Customer), such as federally funded research and development centers, and/or (iii) public healthcare entities (not otherwise qualified as a Federal Customer or a SLED Customer), provided that in order for this Public Sector Addendum to apply to such entities, it must be explicitly referenced and incorporated into the signed Order Form as between Workday and such entity. As applicable, an entity qualified under (i), (ii), or (iii) above shall be referred to herein as an "Approved Customer"; an Approved Customer is specifically not included in the definition of "Federal Customer" or "SLED Customer" and any sections in this Addendum indicating it applies only to a Federal Customer or a SLED Customer shall not extend to an Approved Customer.

Unless otherwise defined herein, all other capitalized terms used in this Public Sector Addendum have the same meaning as set forth in the MSA. Customer and Workday agree that in the event of a conflict between this Addendum or the MSA, the Public Sector Addendum will take precedence over provisions of the MSA.

**1. Taxes**. The following sentence is hereby added at the beginning of the "Taxes" section in the MSA (currently, Section 1.3): "*This section applies only if Customer has not provided Workday with a valid tax exemption certificate authorized and honored by applicable taxing authorities that covers all Taxes.*"

**2. FOIA/Public Disclosure Laws.** A disclosure by one party of Confidential Information of the other party to the extent required by Law shall not be considered a breach of the Agreement, provided the party so compelled promptly provides the other party with prior notice of such compelled disclosure (to the extent legally permitted) and provides reasonable assistance, at the other party's cost, if the other party wishes to contest the disclosure. For purposes of this section, a request to Customer for documents or information pursuant to the California Public Records Act will be considered a compelled disclosure. All parties acknowledge that Customer may not make any assertion of exemption on behalf of Workday in response to a Public Records Act request. In addition, Customer may disclose Order Forms and the Agreement in accordance with requirements for publication of items that will be on the Customer's required council agenda. Such disclosure may take the form of a website-accessible posting of those documents.

**3. Business Associate Exhibit.** If a Customer concludes that the Service will include access to Customer Content that is protected by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and Customer is a Covered Entity as defined under HIPAA, the parties agree to attach Workday's Business Associate Exhibit to the Agreement, which shall apply to Workday's receipt, maintenance or transmission of Protected Health Information from, or on behalf of Customer, as described in such Exhibit.

**4. Section 7.2 Customer Indemnity in the MSA is replaced with the following:**

**Customer Obligations.** Unless Customer is prohibited by Law from indemnifying its vendors, Customer shall defend Workday, at Customer's expense, from any third-party claim against Workday alleging that (1) Customer Content, or (2) data submitted by Customer, its Affiliates or its Authorized Parties used by Workday to provide the Service infringes or misappropriates such third-party's Intellectual Property Rights and Customer shall be directly and solely responsible for any Losses related to such Claim. If Customer is prohibited by Law from indemnifying its vendors, any indemnification clause found in an Order Form's application-specific additional terms or click-through terms referenced in the Order Form shall be read only as an acknowledgement that Customer is responsible for materials and data it provides to Workday and for the behavior of its Authorized Parties.

**5. Termination for Non-Appropriation.** To the extent required by Law, the following provision is hereby added to the end of the "Termination" section of the MSA (currently Section 9.1):

**Termination for Non-Appropriation**. For each of Customer's fiscal years during the Term of this Agreement Customer agrees: (a) to seek in good faith appropriations sufficient to cover Customer's obligations under this Agreement; and (b) not to use non-appropriations as a means of terminating this Agreement in order to acquire functionally equivalent products or services from a third party. Customer reasonably believes, barring unforeseen circumstances or events, that sufficient funds will lawfully be appropriated by its governing body to satisfy its obligations under this Agreement. If Customer does not appropriate sufficient funds, by appropriation, appropriation limitation or grant, to continue payments under this Agreement, Customer may terminate this Agreement by giving Workday not less than thirty (30) days' prior written notice of such non-appropriation for the fiscal year. Customer shall not execute an Order Form unless funds have been appropriated for at least the first year's subscription fee. Workday is under no obligation to provide the Service if Customer lacks funds to pay for it. Upon termination Customer will remit all amounts due and all costs reasonably incurred through the date of termination and, to the extent of lawfully available funds, through the end of the then-current fiscal period, providing Service will continue through the end of the then-current fiscal period and for the full duration of any subsequent Transition Period for which funds are available. Upon Workday's reasonable request, Customer will provide Workday with information as to funding status for its next subscription payment(s).

**6. Background Check.** Unless prohibited by law, Workday agrees to conduct (or has previously conducted) a criminal background check on personnel employed by Workday (or will require its subcontractors to conduct a background check on their own personnel) who will have access to Customer Content. Such background check shall be in the form generally used by Workday in its initial hiring of employees or contracting for contractors or, as applicable, during the employment-screening process. Workday will not allow any person performing under the Agreement on behalf of Workday to be assigned to have access to Customer Content whose background check revealed a conviction of any violent crime or crime involving theft, dishonesty, moral turpitude, breach of trust, or money laundering.

**7. Code of Conduct.** Workday has a published code of conduct available at https://www.workday.com/en-us/company/about-workday/ethics-compliance.html with rules for ethical business conduct which complies with applicable law. Workday uses commercially reasonable efforts to ensure that Workday complies with its code of conduct, including but not limited to periodic training of employees about the code.

**8. Assignment.** In no event shall Customer have the right to assign the Agreement to a direct Competitor of Workday. In the event of an M&A assignment, the non-assigning party shall be entitled to request from the assignee reasonable information to demonstrate that the assignee has the necessary resources and expertise to provide the Service. Failure to provide such information shall be a material breach of the Agreement.

**9. Federal Government End Use.** Workday's offering constitutes 'commercial items' as defined under FAR 2.101. Workday's contracting documents are in conformance with Workday's commercial item offerings and tailoring of acquisition terms is pursuant to FAR 12.302(b). If you are a FAR governed Federal Customer, Workday agrees that the resulting contract will include the mandatory FAR commercial flow downs for a subcontractor under FAR 52.244-6. Additionally, the parties agree that the purpose of the Agreement is to provide a sophisticated integrated system solution, principally for the provision of a product, not a service and as such, neither the Service Contract Act nor its related statutes or regulations apply to Workday's performance hereunder.

**10. Use by Other Entities.** The parties agree that other public entities, including state agencies, local governments, courts, and public institutions of higher education may utilize the terms of the Agreement to purchase the Service from Workday for agreements commencing no later than 5 years after the Effective Date of the Agreement. Workday may extend the availability of the Agreement for such use in its sole and reasonable discretion. The parties understand that pricing is specific to Pricing Metrics and the choice of Workday Service components and other entities will not necessarily pay the same price as Customer. Any

such other entity shall be responsible for complying with its relevant procurement rules and regulations. Customer will in no way whatsoever incur any liability to Workday, such entities, or others in relation to specifications, delivery, payment, or any other aspect of actions or omissions by such entities. An entity wishing to utilize the Agreement will have a copy of the Agreement executed in its own name and any Order Forms will be in such entity's name. The parties agree that Workday can disclose the Agreement, all exhibits, and any applicable Order Forms to an entity seeking to make use of this Section.

**11**. **Publicity**. Except as set forth in this section, Workday shall not use Customer's name, logos or trademarks, without the prior written consent of Customer, in any written press releases, advertisements and/or marketing materials. Notwithstanding the foregoing, Workday may use Customer's name and logo in lists of customers and on its website, including, but not limited to, Workday's community portal; however, such usage shall not be classified as an advertisement but only identification as an entity who receives the Service from Workday. For the avoidance of doubt, this section does not prohibit Workday from referencing Customer's name in a verbal format.

**12. Law.** The parties agree that notwithstanding the "Governing Law" section of the MSA (currently Section 10.7), the following shall apply:

This Addendum and the Agreement and any disputes arising out of or related thereto shall be governed by the Laws of the State of California. With respect to all disputes arising out of or related to this Addendum and the Agreement, the parties consent to exclusive jurisdiction and venue in the state and federal courts for California.

**13. Special Access by Law Enforcement and for Oversight.** Customer is a public sector entity subject to oversight by other public sector entities and potentially by the federal government. The parties agree that to the extent that law enforcement officials or entities with appropriate oversight authority request access to the Service for the purpose of viewing or retrieving Customer Data or confirming how Customer processes Customer Data, Customer may grant such access either by permitting representatives of such entities to observe Customer's use of the Service or by granting such representatives temporary status as an Authorized Party. Customer shall ensure any individuals to whom observation or temporary Authorized Party status is provided, have entered into a Confidentiality Agreement at least as restrictive as the provisions in Section 4 of the Agreement.

**14. Audit Financial Billing.** During the Term of this Agreement but not more frequently than once per year, Workday shall make available to Customer or its chosen independent third-party auditor (or federal or state department auditor having monitoring or reviewing authority over Customer), for examination those financial books, records, and files of Workday that are necessary for Customer to verify Workday's charges for the Service provided under any Order Form(s) issued hereunder. Workday shall be subject to examination and/or audit to the extent set forth in law and shall comply with all program and fiscal reporting requirements set forth by law as described more fully in the Data Processing Exhibit. Workday shall maintain complete and accurate records as is reasonably necessary to substantiate such charges for at least five (5) years after such charges are invoiced. Customer shall provide Workday with reasonable notice prior to conducting such financial audit and the parties shall mutually agree upon the timing of such financial audit which shall be conducted in a manner that is least disruptive to Workday's business operations. Such right shall not extend to or require on-site audits of Workday's operations or third-party hosting facilities, disclosure of any confidential information of any other Workday customer, or Workday's payroll records or other financial records not related to Service fees invoiced to Customer.

**15. California Labor Code Requirements.** Workday is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is $1,000 or more, Workday agrees to fully comply with such Prevailing Wage Laws, if applicable. Workday shall defend, indemnify and hold Customer, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It

shall be mandatory upon Workday and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages, employment of apprentices, hours of labor and debarment of contractors and subcontractors for work performed in California.

**16. Verification of Employment Eligibility.** By executing this Agreement, Workday verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

**17. Equal Opportunity Employment**. Workday represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of, as applicable under the law of the jurisdiction where employment occurs, race, religion, color, national origin, ancestry, sex, age, or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

**18. Prohibited Interests.** Workday represents that it has not employed nor retained any company or person, other than a bona fide employee working solely for Workday, to solicit or secure the Agreement. Further, Workday represents that it has not paid, nor has it agreed to pay any company or person, other than a bona fide employee working solely for Workday, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this representation, Customer shall have the right to rescind the Agreement without further liability. Upon Customer's request, Workday will include the following statement on Order Forms that are not executed contemporaneously with this Agreement, "Workday represents that it has not employed nor retained any company or person, other than a bona fide employee working solely for Workday, to solicit or secure this Order Form. Further, Workday represents that it has not paid, nor has it agreed to pay any company or person, other than a bona fide employee working solely for Workday, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Order Form."