



ORDER FORM #1
TO MASTER SUBSCRIPTION AGREEMENT ("MSA")

Customer Name	County of San Mateo
MSA Effective Date	September 10, 2013
Order Term	September 10, 2013 through September 9, 2018
Order Term in Months	60
Order Effective Date	September 10, 2013
Total Subscription Fee	\$3,834,450

Payment #	Payment Due Date	Payment Amount
1	30 days after the Order Effective Date	\$766,890
2	First anniversary of the Order Term Start Date	\$766,890
3	Second anniversary of the Order Term Start Date	\$766,890
4	Third anniversary of the Order Term Start Date	\$766,890
5	Fourth anniversary of the Order Term Start Date	\$766,890
Total Subscription Fees		\$3,834,450

SKU	Service	Permitted FSE Workers
HCM	Human Capital Management	6,063
CCHCM	Cloud Connect for HCM	6,063
CCB	Cloud Connect for Benefits	6,063
USP	Payroll for United States	6,063
CCWP	Cloud Connect for Workday Payroll	6,063

Annual Subscription Fees for Additional FSE Workers	Fees
Annual Fee per Additional FSE Worker	\$126.49

Translations	Number of Languages
Employee Self Service ("ESS") translations	None
Manager Self Service ("MSS") translations	None
HR Specialist translations	None

Number of Named Support Contacts	4
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Customer Contact Information	Billing	Customer Support
Contact Name	Patricia Gonzales	Juan Raigoza
Street Address	555 County Ctr	555 County Ctr
City/Town, State/Region/County, Zip/Post Code, Country	3 rd Flr, ISD Redwood city CA 94063-1665 United States	Redwood city CA 94063-1665 United States
Phone/Fax #	(650) 599-1564	(650) 363-4853
Email (required)	pgonzales@smcgov.org	jraigoza@co.sanmateo.ca.us

This Order Form is only valid and binding on the parties when executed by both parties and is subject to the additional terms in the above-referenced MSA and in Addendum A attached hereto. Customer is purchasing the Service that is currently available.

Budgetary Cap: The parties agree that payments due under this Order Form shall not exceed **\$3,834,450** (the "Cap") unless there is a written amendment, signed by both parties which increases the Cap. The parties further

Page 1 of 6

Order Form #1 between Workday, Inc. and County of San Mateo

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agree Customer is not entitled to receive Services without compensation to Workday if the Cap has been reached and may utilize the Services only for number of FSE Workers for whom fees have been paid.

Fiscal Funding: Customer confirms that funds have been budgeted and allocated for Payment #1. For future payments, upon written request from Workday, Customer shall confirm in writing whether funds have been budgeted and allocated to this Order Form.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO

By: _____
Don Horsley, President, Board of Supervisors, San Mateo County

Date: _____

ATTEST:

By: _____

Clerk of Said Board

Workday, Inc.

Michael A. Stankey
Michael A. Stankey (Sep 4, 2013)

Contractor's Signature

Date: Sep 4, 2013



ADDENDUM A

ADDITIONAL ORDER FORM TERMS

1. **General.** Unless otherwise defined herein, capitalized terms used in this Order Form have the same meaning as set forth in the referenced MSA between Workday and Customer (the "Agreement"). References to "Annual" or "Year" in this Order Form mean the consecutive 12-month period during the Order Term. The "Service" licensed to Customer hereunder is limited to that listed on the Order Form and the number of Employees shown. The total Subscription Fee for the use of the Service during the Order Term is only for the stated permitted number of Employees. Except as stated herein, the Service may be used by Customer on a worldwide basis, subject to export regulations. Workday makes country-specific features available only in accordance with the Documentation. USP is limited to use in the United States. CP is limited to use in Canada. CCB is limited to use in the United States and Canada.

2. **FSE Workers and Growth.** The maximum number of Full-Service Equivalent Workers ("FSE Workers") for which the Service may be used by Customer and which are included in the Subscription Fee is as set forth in this Order Form. The number of FSE Workers is calculated by first multiplying the number of workers in each category of workers by the applicable percentage rate specified below and then adding the resulting numbers for each category of worker together for a total sum.

Sample Total FSE Worker Calculation:

Worker Category	Applicable Number	Applicable Percentage	FSE Worker Calculation
Full-Time Employees	2,000	100.0%	2,000
Part-Time Employees	500	25.0%	125
Associates	100	12.5%	13
Former Workers with Access	0	2.5%	0
Totals:	2,600		2,138

The Service may be used by Customer only for the following types of Employees:

"Full-Time Employee" is an employee of Customer regularly scheduled for more than twenty hours per week regardless of the method of payment or actual hours worked, whether or not such employee is eligible to receive employee benefits in accordance with Customer's internal standard practices. A Full-Time Employee will be considered non-temporary if they are hired to work for a period of more than 3 months in a given year.

"Part-Time Employee" is an employee of Customer regularly scheduled for twenty hours per week or less regardless of the method of payment or actual hours worked, whether or not such employee is eligible to receive employee benefits in accordance with Customer's internal standard practices. A Part-Time Employee will be considered non-temporary if they are hired to work for a period of more than 3 months in a given year.

"Associate" is an individual not counted as a Full-Time or Part-Time Employee but in one of the following categories: temporary employees, independent contractors and affiliated non-employees including, but not limited to, volunteers and vendors.

"Former Worker With Access" is a former worker that continues to have access to the Service through the Employee Self-Service features.



Customer may increase the permitted number of FSE Workers during the Order Term (each an "Additional FSE Worker") by providing written notice to Workday and paying Workday a Subscription Fee for Additional FSE Workers for any such increased use of the particular Service category in accordance with the rate table in this Order Form. No later than April 30th each year, Customer must report to Workday the actual number of FSE Workers as of April 15th and specify the number in each worker category. If the actual number of FSE Workers is higher than the number of permitted FSE Workers stated in this Order Form, Customer will be invoiced for the applicable Subscription Fees for Additional FSE Workers for such overage for the full annual period of this Order Form that is in progress as of April 15th. The Subscription Fee for Additional FSE Workers is calculated by multiplying the increase in the number of FSE Workers for each particular Service category by the applicable fee. For the avoidance of doubt, the total Subscription Fees set forth herein for the Order Term will be due even if the actual number of FSE Workers falls below the stated number of permitted FSE Workers. Subscription Fees for Additional FSE Workers are due within thirty (30) days of invoice. An Order Form will be required for FSE Worker increases.

3. **Renewal.** By providing written notice to Workday at least ninety (90) days prior to the end of the Order Term, Customer may elect to continue use of the Service for a single three-year renewal term beginning at the end of the Order Term (each 12-month period a "Renewal Year") for the following subscription fees:

Renewal Year beginning at the end of the Order Term	Number of Permitted FSE Workers	Annual Renewal Subscription Fees	Annual Fee per Additional FSE Worker applicable to each Year
Renewal Year 1	6,063	\$807,458	\$133.18
Renewal Year 2	6,063	\$850,173	\$140.22
Renewal Year 3	6,063	\$895,147	\$147.64

The Annual Renewal Subscription Fees (which cover only the number of FSE Workers specified above), along with any applicable Subscription Fees for Additional FSE Workers for the Renewal Year are due by the first day of the corresponding Renewal Year. During the Renewal Year, the Subscription Fees per Additional FSE Workers will be at the rate for the applicable Year shown above. Renewals will be documented with a new Order Form.

4. **Reduction in FSE Employee Count.** If and only if Customer has added additional FSE Employees during the term of this Order Form and has a subsequent reduction in its actual number of Employees, Customer may decrease its FSE Employee count to reduce the FSE Employee count to no less than the original FSE Employee count. Such reduction shall occur only prospectively on an annual basis, and Workday shall not owe Customer any refund or credit for any such reduction in FSE Employee count. This section does not apply to a reduction associated with a divestiture covered by section 5.

5. **Legislated Divestiture.** In the event that Customer decreases the number of FSE Employees due to legislative action at the State or Federal Level reallocating such Employees to a different entity ("New Entity"), where such event results in the reduction of Customer's Actual FSE Employee Count in excess of 10% of the then current Actual FSE Employee Count (as defined in the first page of this Order Form), such New Entity may elect, at the time of such event, to implement a new Tenant for the Service pursuant to the terms of a new, separate Master Subscription Agreement with Workday or an Order Form incorporating the terms of Customer's Master Subscription Agreement. Implementation services may be performed either by Workday or a third party pursuant to a separate contract with the New Entity. In the event of such election by New Entity, Workday agrees to the following with respect to the Subscription Fees for New Entity and for Customer:

Provided New Entity enters into a separate Master Subscription Agreement for the Service to be provided to the FSE Employees transferred from Customer to New Entity ("New Entity FSE Employees"), Workday will agree to provide the Service to New Entity at the same rates provided hereunder plus 15%. All charges



with respect to the New Entity FSE Employees which have been prepaid by Customer and unearned by Workday will be pro-rated from the date of Workday's Master Subscription Agreement with New Entity and for the remainder of the Term of this Order Form. Upon Workday's receipt of the first payment by New Entity under New Entity's Master Subscription Agreement with Workday, Workday shall refund Customer all pre-paid, unearned fees paid by Customer with respect to New Entity FSE Employees. Provided the agreements described above have been reached, Workday will recalculate the charges for the remaining Customer FSE Employees, for the remainder of the then current term based on the new number of Customer FSE Employees per the fees set forth as the Annual Fee for additional FSE in the first page of this Order Form, prorated from the date of Workday's Master Subscription Agreement with New Entity and for the remainder of the Term of this Order Form. The new Subscription Fees for Customer will be documented in an amendment to this Order Form.

Customer and the New Entity will be responsible for obtaining necessary permissions from any employees whose records are transferred from Customer to New Entity and shall hold Workday harmless with regard to any claims by employees that records were transferred in violation of law

6. Warranty concerning Demonstrations. Certain aspects of the Service were demonstrated to Customer on August 29, September 5, September 17, September 24, September 25 and December 4, 2012. Workday warrants that all such demonstrations were made using releases of the Workday Service that were either (a) generally available as of the date of the demonstration or (b) will be in generally available release as of the effective date of this Order Form. This warranty is in addition to the warranties contained in Section 6.1 of the Master Subscription Agreement and subject to the remedies in Section 6.2 of the Master Subscription Agreement.

7. Service Credits. Service Credits. In the event of a failure by Workday to meet the Service Availability and Service Response minimums as set forth in the SLA, as Customer's sole and exclusive remedy, at Customer's request, Workday shall provide service credits in accordance with the following matrix:

- A. First month of missed availability or response minimum: The parties shall meet to discuss possible corrective actions
- B. Second consecutive month: 10% of the Subscription Fee (listed above) paid for the applicable month for the affected Service
- C. Third consecutive month: 20% of the Subscription Fee (listed above) paid for the applicable month for the affected Service
- D. Fourth consecutive month: 30% of the Subscription Fee (listed above) paid for the applicable month for the affected Service
- E. Fifth consecutive month: 40% of the Subscription Fee (listed above) paid for the applicable month for the affected Service
- F. Sixth consecutive month: 50% of the Subscription Fee (listed above) paid for the applicable month for the affected Service
- G. More than six consecutive months: Within thirty (30) days of such failure either party shall have the option to terminate the entire Agreement and upon such termination Customer shall receive a refund of all prepaid subscription fees that are unearned as of the date written notice of such termination is received.
- H. Credits shall be deducted from subsequent invoices for subscription fees or other fees or, upon expiration or termination of the Agreement, paid to Customer directly.



Addendum B

Workday Service SKU Descriptions

Human Capital Management

Workday HCM supports an organization in organizing, staffing, paying, and developing its global workforce. Workday HCM includes Global Human Resources Management (Workforce Lifecycle Management, Organization Management, Compensation, Business Asset Tracking, Absence, and Employee Benefits Administration) and Global Talent Management (Goal Management, Performance Management, Succession Planning, and Career and Development Planning). Workday HCM also includes Project and Work Management designed to enable organizations to create and manage initiatives, projects, and other types of work. This includes the ability to build project plans and utilize project breakdown structures that include phases, tasks, and milestones as well as plan, staff, and track initiatives, projects, and work efforts.

Workday Payroll for US

Workday Payroll for US supports the creation and management of Payroll for U.S. employees. Configure earnings, deductions, accumulations, and balances. Identify tax authorities each company wishes to withhold for. Manage worker tax data, payment elections, involuntary withholding orders, and payroll input. Calculate, review/audit, and complete payrolls and settlement runs. Configure and calculate payroll commitments.

Cloud Connect for HCM

Cloud Connect for HCM extends Workday HCM by integrating to partners that provide capabilities including: recruiting, learning, time and attendance, and user account provisioning (LDAP/Active Directory).

Cloud Connect for Benefits

Cloud Connect for Benefits extends Workday HCM by providing integration to a growing catalog of benefits providers, including: health insurance, health and flexible spending accounts, retirement savings plans, life insurance, AD&D insurance, and COBRA administrators.

Cloud Connect for Workday Payroll

Cloud Connect for Workday Payroll extends Workday Payroll by integrating to partners that provide capabilities, including: time and attendance, tax filing, check printing, and direct deposit.