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**UPGRADE AMENDMENT
TO
SOFTWARE END USER LICENSE AND SERVICES AGREEMENT
(EXTENDED ENTERPRISE CAPABILITIES)**

This upgrade amendment ("Upgrade Amendment") to the Software End User License and Services Agreement dated December 22, 1994 and all addenda, amendments and Schedules thereto (collectively the "License Agreement") is made and entered into as of June 24, 1998 ("Upgrade Amendment Effective Date") by and between PeopleSoft USA, Inc. ("PeopleSoft") and Safeway, Inc. ("Licensee").

The parties agree as follows:

1. Definitions

Unless otherwise defined herein, capitalized terms used in this Amendment shall have the same meaning as those used in the Agreement.

"Anniversary Date" means the month and day of Licensee's annual maintenance renewal date as determined by the License Agreement.

"Designates" means Licensee's customers, suppliers, vendors, benefits providers and other such external parties that Licensee may provide with a right to use the licensed PeopleSoft software modules pursuant to this Agreement and this Upgrade Amendment.

"Employee Count" means the number of active Licensee employee records specifically excluding Licensee's retired employees that have employee records processed on the Software.

"Extended Enterprise Capabilities" means the new functionality and expanded license rights incorporated in the Software modules beginning with the release of Software version PeopleSoft 7 which enables the expansion of Licensee's usage and deployment of those previously licensed PeopleSoft Software modules using a Windows-client, Web-client or Intranet within a hardware configuration determined by Licensee to meet their internal business needs.

"Intranet" means only Licensee's fire-wall secured intranet, internet, and/or extranet.

"Software" means all or any portion of the then commercially available global version of the binary computer software programs and enhancements thereto, (including corresponding source code, unless specifically excluded elsewhere in the Agreement) and Documentation delivered by PeopleSoft to Licensee as listed in the applicable Schedule. Software includes the third-party software delivered by PeopleSoft as specified in the Schedule, and modifications made to the Software. Software does not include source code to: (i) PeopleTools; (ii) third party Software; or (iii) PepperTools. Unless specifically stated otherwise, all Software is delivered to Licensee only if and when generally commercially available.

"Territory" means that territory explicitly set forth in the applicable Schedule: (i) in which Licensee is licensed to install the Software; (ii) in which the Software may be used; (iii) which describes the limited Software functionality licensed; and (iv) which unless expressly set forth in the applicable Schedule, means only the United States.

2. License to Deploy Software

a) PeopleSoft grants Licensee the right to use the Extended Enterprise Capabilities for the sole purpose to expand the deployment of the Software for use within the Territory solely in connection with Licensee's and its Designates' operations to meet Licensee's internal PeopleSoft application processing requirements consistent with the terms as set forth in the Agreement.

b) PeopleSoft grants Licensee a perpetual, non-exclusive, non-transferable license to use the licensed Software in Licensee's facilities located in the Territory, solely for Licensee's internal data processing operations, for the size entity, all as specified in this Upgrade Amendment or the applicable Schedule(s). Licensee shall use any third party Software products or modules provided by PeopleSoft solely with PeopleSoft Software. Licensee may modify or merge the Software with other software, provided, however, that no modification, however extensive, shall diminish PeopleSoft's title or interest in the Software.

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- c) Licensee may make a reasonable number of copies of the Software and Documentation solely for Licensee's internal use in accordance with the terms of this Agreement, provided all copyright and proprietary notices are reproduced.
- d) Licensee shall not authorize or permit Designates to use the Software or Extended Enterprise Capabilities other than in connection with Licensee's PeopleSoft internal application processing requirements.
- e) Licensee shall be responsible for acquiring any database providers' and/or external third party software license requirements, including any additional fees to any such third parties that may be affected by this Upgrade Amendment.

3. **Specific Licensed Use.** Licensee's use of the Software is limited to each of the following restrictions.

Territory	Software (indicate global or local version ¹ for each country within the Territory in which or for which the Software will be used)	Employee Count
United States and Canada	Canadian and United States version and functionality for Human Resources, Benefits Administration, Payroll and FSA Administration contained within the Global Software.	600,000

4. **Fees.** Licensee shall pay PeopleSoft a license fee of: REDACTED for the Extended Enterprise Capabilities rights set forth herein. This fee is based on the consolidated Licensee total Employee Count of 600,000 active employees. The Extended Enterprise Capabilities rights shall apply to Licensee's licensed use of the Human Resources, Benefits Administration, Payroll and FSA Administration modules ("Newly Expanded Software Modules"), as well as any additional PeopleSoft Software modules that may be licensed pursuant to additional Schedule(s) executed after the Upgrade Amendment Effective Date.

5. **Incremental Fees for HRMS Software:** Each year on the Anniversary Date, Licensee shall provide PeopleSoft with a written statement of Licensee's total Employee Count and shall pay PeopleSoft an additional non-refundable, non-cancelable license fee of REDACTED for continued use of the Human Resources, Benefits Administration, Payroll and FSA Administration Software modules for each incremental increase of 100,000 Employee Count beyond the 600,000 employee count previously licensed in this Agreement.

6. **Support Services Terms for One Single, Central Site.** Licensee must designate a central support team for each site designated in the applicable Schedule(s). Only members of Licensee's central support team shall be authorized to and shall request support services from PeopleSoft. Local support shall consist of any support not provided at the one designated support site and shall not be included as part of Support Services. Licensee may acquire local support at the then current list price.

For a period of one year commencing on the Upgrade Amendment Effective Date, Licensee shall receive Support Services for the Newly Expanded Software Module Rights at no additional cost. Licensee may elect to continue Support Services for the following year, and shall pay in advance of the period an annual Support Services fee equal to seventeen percent (17%) of the license fee paid for the Newly Expanded Software Module Rights licensed pursuant to this Schedule. For pricing purposes only, PeopleSoft agrees that during the subsequent three year period, Licensee may elect to continue Software Support Services for the following year by paying PeopleSoft an annual Support Services fee that is the lower of (i) the then-current Support Services fee or (ii) a Support Services fee that shall not exceed an increase of ten percent (10%) over the prior year's Support Services fee paid by Licensee to PeopleSoft. Notwithstanding anything to the contrary, PeopleSoft and Licensee agree that the Support Services fees for the Newly Expanded Software Modules shall be prorated in order for such Support Services to have a coterminous anniversary date with the Software licensed on the Effective Date of the original License Agreement. Thereafter, Licensee may elect to continue Support Services by paying PeopleSoft the then-current Support Services fee or a negotiated mutually acceptable support service fee. The applicable Support Services fee assessed prior to the commencement of each year of Support Services shall be based on the then-current employee

¹ Local support services must be purchased for each country in which or for which a local version of the Software will be used. Local-translation or Local-functionality must be indicated.

count. Additional license fees due pursuant to Sections 3, 4, 5 and 6 of this Upgrade Amendment shall be included in the calculation and payment of Support Services fees by Licensee to PeopleSoft and shall be coterminous with the Anniversary Date.

For the Software licensed on the Effective Date of the original License Agreement and for the three (3) year period commencing on the expiration of Licensee's current Software Support Services fee cap for such Software modules, Licensee may elect to continue Support Services for such Software by paying PeopleSoft a Support Services fee which will not increase more than ten (10%) percent per year over the prior year's fee.

All future Enhancements and Updates pertaining to the United States and Canadian versions of the Global Software will be provided to Licensee through Support Services provided Licensee remains a subscriber to Support Services.

7. **Payment Terms.** Licensee shall pay PeopleSoft all license fees set forth herein on the Upgrade Amendment Effective Date. Unless explicitly stated in this Upgrade Amendment, all fees specified herein are non-cancelable and non-refundable. Licensee shall pay all fees in U.S. dollars and shall send payment to the attention of PeopleSoft's Accounts Receivable Department.

8. **Certification.** On an annual basis, PeopleSoft shall provide Licensee with a statement specifying Licensee's authorized use of the licensed Software based on PeopleSoft's records. Licensee shall promptly respond to the PeopleSoft statement by providing PeopleSoft with a signed certification either (a) verifying PeopleSoft's statement and confirming that the Software is being used in conformance with the applicable license; or (b) providing PeopleSoft with Licensee's expanded use metrics. If Licensee's use of the Software has expanded, PeopleSoft shall invoice Licensee, and Licensee shall pay PeopleSoft for the applicable fees for any increase beyond the applicable use metrics previously licensed beyond the 600,000 employee count previously licensed in this Agreement.

9. **General.** In the event of conflict or inconsistency, this Upgrade Amendment shall take precedence over the Agreement, the Schedules and/or any addenda thereto. The Agreement, and/or any addenda thereto, the Schedules, and this Upgrade Amendment is the entire agreement between the parties concerning the above subject matter. All amendments to this Upgrade Amendment must be in writing and signed by both parties authorized signatories.

Licensee: Safeway, Inc.

PeopleSoft USA, Inc.

STERL
Authorized signature

Stuart E. Rhee V.P.
Printed name and title
6/24/98

Russell E. Brown
Authorized Signature
RUSSELL E. BROWN
V.P.

Printed name and title

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