

## ENTERPRISE LICENSE AGREEMENT

This Enterprise License Agreement ("Agreement") is a contract between Rosetta Stone ("Licensor") and the enterprise end user licensee organization listed as the "Customer" (for purposes hereof, "Licensee") on the print or online order form or other order documentation provided by Licensor (the "Order Form") which incorporates by reference this Agreement and governs Licensee's use of the Rosetta Stone® products, materials, and/or services. The license granted hereunder is conditioned upon Licensee's acceptance of the terms set forth herein.

For good and valuable consideration, the parties hereto, intending to be legally bound, hereby agree as follows:

### 1. DEFINITIONS:

"Authorized End User" means employees, students, or other personnel designated by Licensee with access to the Rosetta Stone Product.

"Enterprise Administrators" shall mean the Authorized End Users who shall act as administrators for Licensee, with responsibility on behalf of Licensee for overseeing access by Authorized End Users to the Rosetta Stone Product. Licensee shall provide Licensor with the names of such Enterprise Administrators.

"Password" means, collectively, the user ID, default password assigned to an Authorized End User and any personalized password created by such Authorized End User.

"Rosetta Stone" means Rosetta Stone Ltd. and/or its subsidiaries or affiliates as set out in the Order Form.

"Rosetta Stone Product" means the Rosetta Stone language learning product(s) and/or services specified in the Order Form, including, without limitation, any Software, companion materials, password-protected access to a Licensor website (the "Website"), and any related products, materials, services, and documentation (together with any updates to, or new releases of, the foregoing that are made available to Licensee by Licensor) licensed by Licensor to Licensee under the applicable Order Form and pursuant to this Agreement.

"Software" means the language learning and language learning management software, and any third party software, and any updates or upgrades thereto, which are licensed by Licensor to Licensee pursuant to this Agreement or which provide the functionality of the Rosetta Stone Product accessed through the Website.

### IMPORTANT NOTICE -- Please Review Carefully

**BY PLACING AN ORDER WITH LICENSOR, CLICKING THE "SUBMIT" BUTTON OF A LICENSOR WEBSITE, INSTALLING OR OTHERWISE USING THE ROSETTA STONE PRODUCT, OR PAYING A ROSETTA STONE INVOICE, LICENSEE AGREES TO BE BOUND BY THE TERMS OF THIS AGREEMENT WHICH HAVE BEEN MADE AVAILABLE TO THE LICENSEE FOR REVIEW. YOU, THE INDIVIDUAL COMPLETING THE ORDER FOR, OR INSTALLATION OF, OR PAYMENT FOR, OR COMMENCING THE USE OF, THE ROSETTA STONE PRODUCT ON BEHALF OF LICENSEE, REPRESENT AND WARRANT THAT YOU ARE A REPRESENTATIVE OF LICENSEE WITH AUTHORIZATION TO ENTER INTO THIS AGREEMENT ON BEHALF OF LICENSEE.**

**THIS AGREEMENT CONTAINS DISCLAIMERS OF WARRANTIES (SEE SECTIONS 9.A. AND 9.B. BELOW) AND LIMITATIONS OF LIABILITY (SEE SECTION 9.C. BELOW). THESE PROVISIONS ARE AN ESSENTIAL PART OF THIS AGREEMENT. IF LICENSEE DOES NOT AGREE TO THESE PROVISIONS OR ANY OF THE OTHER TERMS OF THIS AGREEMENT, DO NOT INSTALL, ACCESS OR USE THE ROSETTA STONE PRODUCT.**

2. PURPOSE: Licensor has developed the Rosetta Stone Product that is marketed under its ROSETTA STONE® brand. Licensor makes the functionality of the Rosetta Stone Product available to its enterprise end users remotely in the following ways: (a) by means of password-protected access to the Website, or (b) by

means of Licensee's electronic learning management system which provides the software-based infrastructure to enable the access and delivery of Licensors enterprise-wide learning activities ("LMS").

### 3. LICENSE, INSTALLATION AND USE:

A. License: The Rosetta Stone Product is licensed, not sold. If Licensee accepts this Agreement, Licensors grants Licensee a limited, revocable, nonexclusive license to use the Rosetta Stone Product, subject to the terms and conditions set forth herein. For purposes of the preceding sentence, "use" of the Rosetta Stone Product means access by an Authorized End User to the functionality of the Rosetta Stone Product by means of password-protected access to a Rosetta Stone Website or via Licensee's LMS for language learning purposes only.

B. Rosetta Stone Online: Rosetta Stone's SaaS-based online solutions include the following: **Rosetta Stone Enterprise Version 3 Online; Rosetta Stone Classroom Version 3 Online; Rosetta Stone Enterprise TOTALE; Rosetta Stone Classroom TOTALE; Rosetta Stone ReFLEX; and Rosetta Stone Advanced English for Business** and/or such other Rosetta Stone SaaS-based products as may be specified in the applicable Order Form. The license granted by Licensors gives Licensee the right to access the applicable Rosetta Stone Product as follows:

i. Licenses: The maximum number of Authorized End Users of the Rosetta Stone Product is specified on the applicable Order Form or on the Rosetta Stone Online Administrative Portal, which was provided to the Administrator in the electronic sales confirmation. Each Authorized End User must specify his or her unique name when first accessing Rosetta Stone Online in the context of the specified license and will then become a single user subject to above. Information regarding the counting mechanism is available from the Rosetta Stone Online Administrative Portal.

ii. Internet: Continuous Internet access is required to use Rosetta Stone Online. This is the responsibility of Licensee or its Authorized End Users and is not provided by Licensors.

iii. Terms of Use: Use of Rosetta Stone Online is subject to the Authorized End User's acceptance of the standard Terms of Use and Interactive Privacy Policy, available at [www.rosettastone.com/agreements](http://www.rosettastone.com/agreements).

### 4. SECURITY AND PASSWORDS:

A. Authorized End Users: Where applicable, Licensors will provide Licensee with a username and/or password for each Authorized End User. At the initial login, each Authorized End User will be given the option to change the default password provided by Licensors to a personalized password that will enable such Authorized End User to access the Rosetta Stone Product in accordance with this Agreement. If Licensee is a Rosetta Stone Online User, the transmission of any Authorized End User's name or password to allow any other person to use Rosetta Stone Online is expressly prohibited.

B. Enterprise Administrators: Licensee represents, warrants and agrees that each Enterprise Administrator shall have authority, on behalf of Licensee, to perform his or her duties. If, during the term of the Agreement, a then-current Enterprise Administrator ceases to be an active employee of Licensee or ceases to serve as an Enterprise Administrator, and if there are no remaining Enterprise Administrators, Licensee shall promptly appoint another Authorized End User as an Enterprise Administrator. When an Enterprise Administrator accesses the Rosetta Stone Product using his or her Password, the Rosetta Stone Product shall provide the Enterprise Administrator with certain administrative capabilities with respect to Licensee's use of the Rosetta Stone Product that other Authorized End Users will not have, including the ability to cancel Passwords and thereby deny access to the Rosetta Stone Product through use of such Password. Using such functionality provided by the Rosetta Stone Product, Licensee agrees that the Enterprise Administrators shall promptly cancel Passwords of any Authorized End User who (i) ceases to be employed by Licensee,

(ii) Licensee no longer wishes to have access to the Rosetta Stone Product, or (iii) Licensee knows or reasonably believes is causing Licensee to breach any provision of this Agreement or is in any way mishandling Passwords. Licensee shall notify Licensor at the time a Password is canceled for any of the reasons specified in clauses (i) through (iii) above.

C. Passwords: Licensor shall have the right to replace Passwords with new Passwords during the term of this Agreement. Further, if Licensor reasonably believes that an Authorized End User is causing Licensee to breach this Agreement or is in any way mishandling a Password, then Licensor may, at its sole discretion, suspend the use of such Authorized End User's Password indefinitely without providing a replacement for such Authorized End User, in addition to any other rights or remedies provided under this Agreement or under law. All use of Passwords assigned to Licensee and its Authorized End Users shall be at Licensee's sole responsibility and risk. Licensee shall not, and shall cause its Authorized End Users not to, disclose, transfer or disseminate any Password to any third party. Licensee shall take such actions as may be necessary to maintain the confidentiality of and to prevent the unauthorized use of each Password, and shall immediately notify Licensor in the event of a breach of security.

D. Responsibility: Notwithstanding any provision of this Agreement, Licensee specifically agrees that it shall be responsible and liable for any costs or expenses arising from or related to, any misuse of Passwords or any Rosetta Stone Product, or other breach of the restrictions or conditions contained in this Agreement, by Licensee's Authorized End Users or other personnel.

5. **TRANSFER**: Licensee may not, and may not permit others to, directly or indirectly, sell, rent, lease, loan, timeshare or sublicense the Rosetta Stone Product.

6. **LIMITATIONS ON USE**: Licensee agrees not to, and not to permit others to, directly or indirectly (a) reverse assemble, reverse compile, or otherwise reverse engineer or attempt to derive the source code of all or any part of the Rosetta Stone Product (b) copy, modify, translate, alter, change or collect information that can be used to create derivative works of all or any part of the Rosetta Stone Product, (c) download, copy or collect information that could be used to copy all or any part of the Rosetta Stone Product, or (d) access or use all or any part of the Rosetta Stone Product for any purpose other than for language learning purposes, except as and only to the extent expressly permitted by applicable law, notwithstanding this limitation, or expressly authorized in writing by Licensor. Any such information supplied by Licensor, and any information obtained by you by any such expressly permitted de-compilation may only be used by Licensee for the purpose expressly authorized by Licensor, and may not be disclosed to any third party, or used to create any software that is substantially similar to the Rosetta Stone Product. If the applicable Order Form or invoice specifies a maximum number of Authorized End Users or concurrent users that may access the Rosetta Stone Product, Licensee agrees not to exceed such maximum number without the prior written approval of Licensor. Licensee agrees, upon request by Licensor at any time, to exchange its current version of the Rosetta Stone Product for an updated version and to discontinue use of the version that was replaced.

7. **OWNERSHIP OF INTELLECTUAL PROPERTY**: Licensor reserves all rights in the Rosetta Stone Product not expressly granted to Licensee in this Agreement. Licensee acknowledges and agrees that Licensor or its third-party licensors own all right, title and interest in and to the Rosetta Stone Product (including, without limitation, all software, code, interfaces, text, photographs, graphics, animation, applets, music, video and audio incorporated therein and any related user guides and documentation), the trademark ROSETTA STONE and other marks related to Licensor's products, and URLs such as [www.rosettastone.com](http://www.rosettastone.com), [www.rosettastoneclassroom.com](http://www.rosettastoneclassroom.com), [www.rosettastoneenterprise.com](http://www.rosettastoneenterprise.com), and [www.rosettaworld.com](http://www.rosettaworld.com) and the trade dress, and look and feel of the Rosetta Stone Product, all of which are covered by various protections including, without limitation, copyright, trademark, and trade secrecy law. If Licensee suggests new features or functionality that Licensor, in its sole discretion, adopts for the Rosetta Stone Product, such new features or functionality will be the sole and exclusive property of Licensor and any and all claims of Licensee as to the same are hereby waived and released. Licensor reserves the right, in its sole discretion and without incurring any liability to Licensee, to update, improve, replace, modify or alter the specifications for and functionality of all or any part of the Rosetta Stone Product from time to time.

8. SUPPORT: Licensor offers support for the Rosetta Stone Product for those of its customers who have completed the online registration process. The hours of operation and means of accessing Licensor's customer support are set forth at the following web address: <http://www.rosettastone.com/policy>. Licensor reserves the right to make changes to these customer support provisions at any time and will post those changes on the support page.

9. LIMITED WARRANTY, DISCLAIMERS, AND LIABILITY LIMITATIONS:

A. Limited Warranty and Disclaimer: Licensor warrants that the Rosetta Stone Product will perform substantially in accordance with the descriptions and specifications applicable to such product for the subscription period of the relevant license to use such product under normal use. Notwithstanding anything to the contrary, Licensor makes no representation or warranty with respect to any third party software, and undertakes no obligations with respect to any third party software.

B. DISCLAIMER OF WARRANTIES: OTHER THAN AS STATED IN SECTION 9. A. ABOVE, AND TO THE MAXIMUM EXTENT PERMITTED BY THE LAW, NEITHER LICENSOR NOR ITS THIRD PARTY LICENSORS MAKE ANY OTHER WARRANTIES OR PROMISES, WHETHER EXPRESS OR IMPLIED, OR BY STATUTE, COMMON LAW, CUSTOM, USAGE OR OTHERWISE, ABOUT THE SOFTWARE, THE EMBEDDED SOFTWARE OR ANY SERVICES PROVIDED HEREUNDER, AND PROVIDE THE SOFTWARE AND SUPPORT SERVICES (IF ANY) "AS-IS" WITH ALL FAULTS AND THE ENTIRE RISK AS TO THE SATISFACTORY QUALITY, PERFORMANCE, ACCURACY, AND EFFORT OF SUCH SOFTWARE (IF ANY) SHALL BE WITH THE LICENSEE. THERE IS NO REPRESENTATION OR WARRANTY HEREIN AGAINST INTERFERENCE WITH LICENSEE'S ENJOYMENT OR AGAINST INFRINGEMENT. LICENSOR AND ITS THIRD PARTY LICENSORS DISCLAIM ANY AND ALL OTHER EXPRESS OR IMPLIED REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE SOFTWARE, THIRD PARTY SOFTWARE AND ANY SERVICES PROVIDED HEREUNDER, INCLUDING ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SATISFACTORY QUALITY, NON-INFRINGEMENT, NON-INFRINGEMENT OF THIRD PARTY RIGHTS, OR THAT LICENSEE'S USE OF THE SOFTWARE WILL BE UNINTERRUPTED, VIRUS FREE, OR ERROR FREE. LICENSEE ACKNOWLEDGES THAT NO EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES ARE MADE BY ANY THIRD PARTY LICENSORS HEREIN.

C. Limitations of Liability: In no event will a party or Licensor's third party licensors or any other person or entity be liable to the other party for any indirect, incidental, special or consequential damages, or damages for loss of profits, revenue, data or use, incurred by either party or any third party, whether in an action in contract or tort, even if the other party has been advised of the possibility of such damages. In no event shall Licensor or its third party licensors' total liability for all actual direct damages, if any, whether arising in contract, tort, including negligence, or otherwise, exceed the cumulative payments actually received by Licensor from Licensee pursuant to this Agreement.

10. TERMINATION AND SURVIVAL:

A. This Agreement is effective until terminated. By accepting this Agreement Licensee authorizes Licensor to immediately terminate Licensee's rights under this Agreement, including access to the Rosetta Stone Product, if Licensee fails to comply with any terms of this Agreement, including the specific terms stated on the applicable Order Form. Restrictions imposed by Licensor for a breach of this Agreement include, but are not restricted to:

- i) Terminating the IP address of a non-compliant workstation;
- ii) Terminating account access to the Licensed Product.

B. Upon termination of this Agreement, Licensee shall cease all use of the Rosetta Stone Product. For purposes of clarity and notwithstanding anything to the contrary, except in the event of Licensor's

termination of an order or the Agreement due to material breach by Licensee, the term of any individual license acquired under this Agreement shall be as set forth in the applicable accepted Order Form, and the rights in such licenses shall not be transferred from the entity named as the receiving party in the applicable Order Form to any other entity. The provisions of Sections 7, 9, 10, 12, 17, and any other obligations which expressly or by their nature are to continue after termination, cancellation, or expiration of this Agreement shall survive and remain in effect, but this shall not imply or create any continued right to use the Rosetta Stone Product after termination of this Agreement.

11. FEES AND PAYMENTS: Licensee agrees to pay Licensor the fees set forth on the Order Form for the Rosetta Stone Product. Licensor shall invoice Licensee for the total amount stated on each Order Form. Unless otherwise specified in the Order Form, all invoiced amounts shall be due and payable within thirty (30) days of date of invoice. Payments due hereunder shall be made by Licensee without any deduction, setoff or bank charges to Licensor at the banking institution in the United States designated by Licensor in U.S. dollars or on any other terms mutually agreed upon and set forth in an order form. All payments made by Licensee are non-refundable. Overdue payments required to be paid by Licensee pursuant to this Agreement (other than amounts that are the subject of a legitimate dispute) shall accrue interest at the lesser of one and one half percent (1.5%) per month or the maximum allowable interest under applicable law, from the due date until paid, and Licensee shall pay Licensor's costs of collection, including Licensor's reasonable attorneys' fees and court costs. The amounts due to Licensor as set forth in the applicable Order Form do not include, and Licensee shall pay, any sales, use, property, value-added or other taxes (including any amounts to be withheld for the purpose of paying the foregoing) relating to, resulting from or based on use of the Licensor Product. If Licensor is required to pay any of the foregoing taxes, then such taxes shall be billed to and promptly paid by Licensee.

12. GOVERNING LAW AND FORUM:

A. This Agreement, and the legal relationship between the Licensor and Licensee will be governed in all respects, by and construed in accordance with the substantive laws in force in the Commonwealth of Virginia, USA, without reference to its laws relating to conflicts of law, and Licensee agrees that any action arising out of or related to this Agreement must be brought exclusively in a state or Federal court in the Commonwealth of Virginia, and Licensee waives any objection it has or may have in the future with respect to the foregoing.

B. This Agreement shall not be governed by the United Nations Convention on Contracts for the International Sale of Goods, the application of which is expressly excluded.

C. Notwithstanding the above, Licensor shall have the right to commence and prosecute any legal or equitable action or proceeding before any court of competent jurisdiction to obtain injunctive or other relief against Licensee in the event that, in the opinion of Licensor, such action is necessary or desirable.

13. WAIVER: Failure to insist upon strict compliance with any of the terms, covenants or conditions of this Agreement shall not be deemed a waiver of that term, covenant or condition or of any other term, covenant or condition of this Agreement. Any waiver or relinquishment of any right or power hereunder at any one or more times shall not be deemed a waiver or relinquishment of that right or power at any other time.

14. SEVERABILITY: All provisions of this Agreement apply to the maximum extent permitted by applicable law. If any part of this Agreement is determined to be invalid or unenforceable pursuant to applicable law, then the invalid or unenforceable provision will be deemed superseded by a valid, enforceable provision that most closely matches the intent of the original provision and the remainder of this Agreement will continue in effect.

15. THIRD PARTY RIGHTS: Except as expressly set forth herein, nothing in this Agreement shall be construed as giving any person or entity, other than the parties hereto and their successors and permitted assigns, any right, remedy or claim under or in respect of this Agreement or any provision hereof.

16. NOTICES: All notices, requests, or other communications hereunder shall be in writing, addressed to the parties at the addresses set forth in the Order Form and in the case of notice to Licensor addressed to the attention of the Legal Department. Notices mailed by registered or certified mail shall be conclusively deemed to have been received by the addressee on the fifth business day following the mailing of sending thereof. Notices sent by facsimile shall be conclusively deemed to have been received when the delivery confirmation is received. If either party wishes to alter the address to which communications to it are sent, it may do so by providing the new address, in writing, to the other party.

17. CONFIDENTIALITY: Each party agrees to hold in strict confidence and not make any public announcement or otherwise disclose or permit to be disclosed to any third party any information regarding the terms and conditions of this Agreement or of any Order Form, including without limitation, the pricing provisions thereof, without the express prior written approval of the other party, provided that either party may make such disclosures as are required by applicable laws or regulatory requirements after making reasonable efforts to consult in advance with the other party. The foregoing restriction shall survive the termination of this Agreement and remain in effect for five (5) years thereafter.

18. DATA COLLECTION AND USE: Licensor reserves the right to collect and analyze data relating to use of the Rosetta Stone Product in accordance with Rosetta Stone's Online Interactive Product Privacy Policy. Licensor is obligated to comply with applicable data privacy regulations. This data is used in anonymized form to improve the Rosetta Stone Product and to assess compliance with the terms and conditions of this Agreement.

19. EXPORT: Licensee agrees to comply with all relevant export laws and regulations of the United States. Licensee agrees to comply with all applicable international and national laws that apply to the Rosetta Stone Product, including the U.S. Export Administration Regulations and Office of Foreign Assets Control Regulations, as well as end-user, end-use, and destination restrictions issued by U.S. and other governments.

20. COMPLETE AGREEMENT; TRANSLATION AND ASSIGNMENT:

A. Except as expressly provided herein, this Agreement constitutes the entire agreement between the parties with respect to the use of the Rosetta Stone Product and supersedes all prior or contemporaneous understandings regarding such subject matter. No amendment to or modification of this Agreement, or action, or delay, will be binding unless in writing and signed by Licensor.

B. In the event of a dispute between the English and any translated version, the English version of this Agreement shall prevail.

C. Licensor may assign this Agreement, in whole or in part, at any time with or without notice to Licensee. This Agreement and rights hereunder may not be assigned, delegated or otherwise transferred by Licensee without the express prior written consent of Licensor.

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