

D-1 Specifications

Terms for Development and Professional Services

(Revised December 8, 2008) revised October 2016 for LSC Communications

1. Contract Documents

These Specifications constitute an integral part of the Services Agreement between LSC Communications and Supplier ("Services Agreement") in which they are referenced, to the extent Supplier provides any Professional Services (as hereinafter defined) to LSC Communications.

2. Definitions

As used in these Specifications D-1, the terms listed below shall have the following definitions. Terms not otherwise defined herein shall have the meanings set forth in the Definitions section of the Services Agreement.

"Acceptance Certificate" means a written certificate in a form to be provided by LSC Communications, that Supplier shall prepare and LSC Communications shall sign to evidence LSC Communications' acceptance of Deliverables.

"Acceptance Date" means the date on which LSC Communications delivers the Acceptance Certificate or is otherwise deemed to have accepted such Deliverables.

"Acceptance Test" means any test specified in the Order which will be used to demonstrate that the Deliverables perform the functions and operate with the capabilities described in the Documentation or Specifications.

"Deliverables" means the computer programs, firmware, schematics, flowcharts, drawings, specifications, Documentation, reports, recommendations or other writings, information or material embodied in a tangible medium that are to be provided by Supplier pursuant to the Services Agreement.

"Documentation" means the visually readable English language materials provided by Supplier that are relevant to the Deliverables.

"Intellectual Property Right" means a patent, copyright, trademark, trade secret, registered design, industrial design, design right, utility model or other intellectual property right recognized by statute or at common law.

"Professional Services" means all professional services to be provided by Supplier pursuant to an Order and this Agreement, including, but not limited to, development, consulting, analysis, design, computer programming, installation, testing, conversion, implementation, training, technical writing and any other services necessary or desirable to successfully install and operate the Deliverables or complete the tasks specified in the Order.

"Specifications" means the specifications referenced in and attached to the Order. The Specifications shall include, but not be limited to, tasks to be completed, functions to be performed, user operational instructions, descriptions, tolerances, capabilities and physical requirements of a Deliverable.

"Warranty Period" means that period of time commencing on the Acceptance Date and continuing for one (1) year thereafter.

3. Project Management

Each party shall appoint a project manager who shall be responsible for Coordinating its activities with respect to this Agreement. Each party shall direct all performance-related inquiries to the project manager

of the other party. Each party's project manager shall have the authority to act on its behalf of in all matters concerning the technical details of the Order. To change the scope of the Order, LSC Communications' project manager shall provide a written request detailing the desired changes to Supplier's project manager. Supplier's project manager shall provide the LSC Communications project manager with an estimate of the cost of such change and impact on the schedule. Supplier shall continue performing pursuant to the previously agreed-upon Order until the parties agree in writing on the applicable changes in scope of the Order, scheduling, and fees.

4. Scope Of Services

The Professional Services or Deliverables to be provided by Supplier under the Service Agreement shall be described in an Order issued by LSC Communications and accepted by Supplier. If a task specification is issued in connection with an Order, it will reference the Service Agreement and such Order and will describe the work to be done, deliverables, ownership and confidentiality, LSC Communications and Supplier responsibilities, scheduled completion, criteria for acceptance and cost/milestone deliverable payments. A task specification or Order may not be changed or be terminated orally, but may be modified at any time by an instrument in writing signed by authorized representatives of both parties hereto.

5. Interviews/Screening

LSC Communications shall have the right to interview and accept or reject any personnel provided by Supplier prior to assignment to LSC Communications, it being understood that such interviews are for the purpose of LSC Communications confirming the individual's ability to perform the technical aspects of the assignment. As a condition to any engagement involving work to be performed at a Site, Supplier personnel may be required to pass a drug screening test administered by LSC Communications.

6. Key Resources

An Order may specify a key employee, subcontractor and agent resources ("Key Resources") committed to the performance of Supplier's obligations. Supplier shall not change Key Resources or assign Key Resources to any other activities which are not directly associated with the performance of its obligations to LSC Communications without the prior written consent of LSC Communications.

7. Non-Solicitation

Neither party shall recruit or hire any personnel of the other who are or have been assigned to perform any Professional Services in connection with any Order entered into between the parties pursuant to the Services Agreement until one (1) year after completion of the Professional Services, except that LSC Communications shall have the right to recruit and hire any employee or consultant of Supplier if LSC Communications terminates this Agreement or an Order for cause as specified in the Services Agreement.

8. Delivery

Supplier acknowledges that time is of the essence for delivery of all Deliverables and completion of all Professional Services. Supplier shall deliver all Deliverables and complete all Professional Services on or before the scheduled delivery date specified on the Order. No Deliverable shall be deemed delivered and no Professional Services shall be deemed to be completed unless and until all Deliverables have been delivered and all Professional Services have been completed in their entirety in accordance with the requirements set forth in the Services Agreement, these D-1 Specifications and the Order. Any delays in delivery of Deliverables or completion of Professional Services shall be reported by Supplier to LSC Communications immediately as they become known to Supplier.

9. Acceptance

(a) The Deliverables shall be deemed accepted upon their successful installation at LSC Communications' satisfaction that the capabilities and performance of the Deliverables conform to the Documentation and Specifications.

(b) When so specified on an Order, Supplier will demonstrate to LSC Communications' satisfaction that the Deliverables meet the Acceptance Test criteria. In such case, if the Deliverables pass the Acceptance Test and otherwise conform to the Documentation and Specifications, Supplier shall provide LSC Communications with an Acceptance Certificate. The Deliverables shall be deemed accepted when LSC Communications signs the Acceptance Certificate. If LSC Communications does not sign the Acceptance Certificate, LSC Communications shall specify to Supplier in writing, within fifteen (15) working days (Monday through Friday, excluding holidays) after the Supplier has delivered the Acceptance Certificate, the deficiencies in the Deliverables which caused LSC Communications not to sign the Acceptance Certificate. If such notification of the deficiencies is not provided within fifteen (15) working days, the Deliverables shall be deemed accepted.

(c) If LSC Communications specifies a deficiency as set forth above:

(i) Supplier will proceed to correct the deficiency. When the deficiency is corrected to LSC Communications' satisfaction, LSC Communications will sign the Acceptance Certificate.

(ii) In the event that Supplier determines that a deficiency is not due to any Deliverable, then Supplier shall provide in writing the basis for this determination. If the deficiency is not due to a Deliverable, then LSC Communications shall sign the Acceptance Certificate.

(d) If within ninety (90) days after delivery there is no acceptance of the Deliverables due to deficiencies in or caused by one or more Deliverables or if Supplier and LSC Communications do not agree whether the deficiency is due to a Deliverable, LSC Communications may, at its option, notify Supplier in writing that the Deliverables have not been accepted and that the Order is canceled. In such event Supplier shall immediately refund all monies paid by LSC Communications to Supplier for such Deliverables. LSC Communications shall retain the right to continued use of any Deliverable required for the non-disrupted continuation of its business until, but not after the earlier of:

- (i)** twelve (12) months after termination of the Order, or
- (ii)** such time as LSC Communications has, at its convenience, successfully installed a suitable replacement for said Deliverable(s).

10. Title and Possession

(a) All Deliverables developed in connection with any Order, either by LSC Communications or jointly by LSC Communications and Supplier, or by Supplier pursuant to Specifications or instructions provided by LSC Communications shall be owned by and confidential to the party identified in the Order. In the absence of any such identification in an Order, Deliverables shall be deemed to be owned by and confidential to LSC Communications.

(b) Deliverables that are owned by and confidential to LSC Communications shall be considered a works made for hire belonging exclusively to LSC Communications with LSC Communications having the right to obtain and to hold in its own name patents, copyrights, registrations, or such other protection as may be appropriate to the subject matter and any extension or renewals thereof. To the extent that any such Deliverables are not subject to the United States Copyright Act or do not otherwise qualify for work-made-for-hire treatment under such Act, Supplier agrees to assign and does hereby assign all Intellectual Property Rights in such Deliverables to LSC Communications and shall cause its employees to waive all

moral rights. Supplier agrees to give LSC Communications and any other person designated by LSC Communications, at LSC Communications' expense, all assistance reasonably required to perfect its rights pursuant to this Section. Supplier will not, nor will it permit its Employees, to sell, transfer, assign, plagiarize or otherwise disclose such Deliverables to any third party.

(c) Supplier agrees that in connection with any work performed for LSC Communications, it will not collaborate in the creation of patentable or copyrightable works with any person (other than LSC Communications employees or other persons who have signed agreements consistent with the provisions of this Section) without LSC Communications' prior written consent.

(d) Supplier shall, at its sole cost and expense, release, defend at LSC Communications' option, indemnify and hold harmless LSC Communications, its directors, officers, agents, employees, and shareholders from and against all claims, demands, disputes, complaints, causes of action, suits, losses and damages (including attorneys' fees) of any kind to the extent they in any way relate to or arise, in whole or in part, due to the acts or omissions to act of Supplier, its subcontractors, Suppliers, or agents or the employees of any thereof, in the performance of the Contract or any breach or default thereunder.

(e) There are no restrictions on LSC Communications' right to make, have made, use, modify, create derivative works of, reproduce, have reproduced, perform, display, sell and distribute Deliverables that are owned by LSC Communications.

(f) With respect to any LSC Communications-owned software, Supplier agrees to deliver to LSC Communications the source code (including flowcharts, compile listings and comments sufficient to enable a reasonably skilled programmer to understand the function and operation of the computer programs) at no additional charge. When LSC Communications shall come into possession of the computer program source code in accordance with this Agreement, LSC Communications shall thereafter have the absolute right to modify the source code to perform any functions that LSC Communications deems necessary or desirable. LSC Communications agrees that any modifications to the computer programs may void any applicable warranties that may be in effect.

11. Professional Services and Deliverables Warranty

Supplier warrants during the Warranty Period that all Professional Services and Deliverables provided under the Services Agreement will be performed to the best of its, and its employees', agents', and contractors' ability and in a professional manner, and that Deliverables will conform to and perform in accordance with the relevant Specifications and with all associated Documentation. Supplier's obligation under this warranty is to re-perform any Professional Services and correct and adjust any portions of the Deliverables which do not comply with this warranty, at no additional cost to LSC Communications. After the Warranty Period, (i) any LSC Communications requested corrections and modifications shall be furnished on a time and materials basis in accordance with the Agreement at the then current charges therefor, and pursuant to a separately negotiated maintenance agreement. This warranty is in addition to all other warranties expressed or implied, and other obligations of Supplier.

12. Subcontracts

Supplier shall include in every subcontract provisions consistent with those contained herein. Prior written approval of each subcontractor must be obtained from the appropriate LSC Communications Supply Chain Management representative, but such approval shall not relieve Supplier of responsibility for the subcontractor's performance of the work.