

Service Description

IBM Prescriptive Quality for Manufacturing

This Service Description describes the Cloud Service IBM provides to Client. Client means the contracting party and its authorized users and recipients of the Cloud Service. The applicable Quotation and Proof of Entitlement (PoE) are provided as separate Transaction Documents.

1. Cloud Service

IBM Prescriptive Quality for Manufacturing enables users to gain a better understanding of root causes of manufacturing issues and apply the insights from the data to assist in solving manufacturing issues.

2. Content and Data Protection

The Data Processing and Protection Data Sheet (Data Sheet) provides information specific to the Cloud Service regarding the type of Content enabled to be processed, the processing activities involved, the data protection features, and specifics on retention and return of Content. Any details or clarifications and terms, including Client responsibilities, around use of the Cloud Service and data protection features, if any, are set forth in this section. There may be more than one Data Sheet applicable to Client's use of the Cloud Service based upon options selected by Client. IBM will update Data Sheets as required when changes are made to the Cloud Service. The Data Sheet may only be available in English and not available in local language. Despite any practices of local law or custom, the parties agree that they understand English and it is an appropriate language regarding acquisition and use of the Cloud Services. The following Data Sheet(s), as may be modified by IBM, apply to the Cloud Service and its available options.

Link(s) to the applicable Data Sheet(s):

<https://www.ibm.com/software/reports/compatibility/clarity-reports/report/html/softwareReqsForProduct?deliverableId=A1CB8570C3DC11E6A98AAE81A233E762>

Client is responsible to take necessary actions to order, enable, or use available data protection features for a Cloud Service and accepts responsibility for use of the Cloud Services if Client fails to take such actions, including meeting any data protection or other legal requirements regarding Content.

IBM's Data Processing Addendum at <http://ibm.com/dpa> (DPA) and DPA Exhibit(s) apply and are referenced in as part of the Agreement, if and to the extent the European General Data Protection Regulation (EU/2016/679) (GDPR) applies to personal data contained in Content. The applicable Data Sheet(s) for this Cloud Service will serve as the DPA Exhibit(s).

3. Service Level Agreement

IBM provides the following availability service level agreement ("SLA") for the Cloud Service as specified in a PoE. The SLA is not a warranty. The SLA is available only to Client and applies only to use in production environments.

3.1 Availability Credits

Client must log a Severity 1 support ticket with the IBM technical support help desk within 24 hours of first becoming aware that there is a critical business impact and the Cloud Service is not available. Client must reasonably assist IBM with any problem diagnosis and resolution.

A support ticket claim for failure to meet an SLA must be submitted within 3 business days after the end of the contracted month. Compensation for a valid SLA claim will be a credit against a future invoice for the Cloud Service based on the duration of time during which production system processing for the Cloud Service is not available ("Downtime"). Downtime is measured from the time Client reports the event until the time the Cloud Service is restored and does not include time related to a scheduled or announced maintenance outage; causes beyond IBM's control; problems with Client or third party content or technology, designs or instructions; unsupported system configurations and platforms or other Client errors; or Client-caused security incident or Client security testing. IBM will apply the highest applicable compensation based on the cumulative availability of the Cloud Service during each contracted month, as shown in the table below. The total compensation with respect to any contracted month cannot exceed 10 percent of one twelfth (1/12th) of the annual charge for the Cloud Service.

For bundled Cloud Services (individual Cloud Service offerings packaged and sold together as a single offering for a single combined price), the compensation will be calculated based on the single combined monthly price for the bundled Cloud Service, and not the monthly subscription fee for each individual Cloud Service. Client may only submit claims relating to one individual Cloud Service in a bundle at a given time.

3.2 Service Levels

Availability of the Cloud Service during a contracted month

Availability during a contracted month	Compensation (% of monthly subscription fee* for contracted month that is the subject of a claim)
Less than 98%	2%
Less than 97%	5%
Less than 95%	10%

* If the Cloud Service was acquired from an IBM Business Partner, the monthly subscription fee will be calculated on the then-current list price for the Cloud Service in effect for the contracted month which is the subject of a claim, discounted at a rate of 50%. IBM will make a rebate directly available to Client.

Availability, expressed as a percentage, is calculated as: the total number of minutes in a contracted month minus the total number of minutes of Downtime in a contracted month divided by the total number of minutes in the contracted month.

4. Technical Support

Technical support for the Cloud Service is provided via email, online forums, and an online problem reporting system. IBM's software as a service support guide available at https://www-01.ibm.com/software/support/saas_support_guide.html provides technical support contact and other information and processes. Technical support is offered with the Cloud Service and is not available as a separate offering.

5. Entitlement and Billing Information

5.1 Charge Metrics

The Cloud Service is available under the charge metric specified in the Transaction Document:

- Item is a unit of measure by which the Cloud Service can be obtained. An Item is an occurrence of a specific item that is processed by, managed by, or related to the use of the Cloud Service. Sufficient entitlements must be obtained to cover every Item processed by, managed by, or related to the use of the Cloud Service during the measurement period specified in a PoE or Transaction Document.

For purposes of this Cloud Service, an Item is a variable identified in the program that is being tested, monitored, or controlled by the Cloud Service.

5.2 Overage Charges

If actual usage of the Cloud Service during the measurement period exceeds the entitlement specified in the PoE, an overage charge will be billed at the rate specified in the Transaction Document in the month following such overage.

5.3 Billing Frequency

Based on selected billing frequency, IBM will invoice Client the charges due at the beginning of the billing frequency term, except for overage and usage type of charges which will be invoiced in arrears.

6. Term and Renewal Options

The term of the Cloud Service begins on the date IBM notifies Client of their access to the Cloud Service, as documented in the PoE. The PoE will specify whether the Cloud Service renews automatically, proceeds on a continuous use basis, or terminates at the end of the term.

For automatic renewal, unless Client provides written notice not to renew at least 90 days prior to the term expiration date, the Cloud Service will automatically renew for the term specified in the PoE.

For continuous use, the Cloud Service will continue to be available on a month to month basis until Client provides 90 days written notice of termination. The Cloud Service will remain available to the end of the calendar month after such 90 day period.

7. Additional Terms

7.1 General

Client agrees IBM may publicly refer to Client as a subscriber to the Cloud Services in a publicity or marketing communication.

Client may not use Cloud Services, alone or in combination with other services or products, in support of any of the following high risk activities: design, construction, control, or maintenance of nuclear facilities, mass transit systems, air traffic control systems, automotive control systems, weapons systems, or aircraft navigation or communications, or any other activity where failure of the Cloud Service could give rise to a material threat of death or serious personal injury.

7.2 Use Limitations

Definitions:

- a. **IBM SaaS Artifacts** – means the materials that are listed in the IBM SaaS Artifacts list in the IBM SaaS User guide. IBM SaaS Artifacts are a variety of predefined and preconfigured materials which include, but are not limited to: predictive models; business rules; message flows; business intelligence models, reports, active reports and dashboards; master data management model structure; and the data schema.
- b. **Asset** – An Asset is any tangible resource or item of value to be managed, including production equipment, facilities, transportation, IT hardware and software.

Client may use the Cloud Service to modify the IBM SaaS Artifacts or to create new IBM SaaS Artifacts (collectively "Customized IBM SaaS Artifacts").

IBM SaaS Artifacts and Customized IBM SaaS Artifacts may not be used independently of this Cloud Service.

Client has no obligation of support for Customized IBM SaaS Artifacts. Any Cloud Service warranties are not applicable to the Customized IBM SaaS Artifacts.

The Cloud Service may only be used with IBM Prescriptive Quality for Manufacturing Data. IBM Prescriptive Quality for Manufacturing Data is data directly attributable to Client's Assets or data that is used to analyze an Asset including contextual data.

The Cloud Service and its output are not to be relied upon in substitution for the exercise of independent judgment.

Considerations identified by the Cloud Service are suggestions only and do not replace Client's or IBM SaaS users' expert judgment. Based on the Cloud Service users' own experience, courses of action not identified by the Cloud Service may exist that should be considered.

The Cloud Service should only be used to assist qualified personnel acting within their areas of competence, and only such persons are permitted to utilize the Cloud Service.

The Cloud Service does not include information on alternative options associated with each suggested option. These options are an important component of a comprehensive plan and should be carefully considered when making decisions.