

## Service Description

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This Service Description describes the Cloud Service. The applicable order documents provide pricing and additional details about Client's order.

### 1. Cloud Service

IBM FIRST Risk Case Studies (IBM FIRST) is a data as a service offering in which output created by IBM's team of researchers (as described in more detail below) is made available to Client in response to structured queries Client makes through a web-based interface. When used in this Service Description document, the term "output" means any materials made available to Client through the Cloud Service, including the hierarchy of such materials and the methodology through which they are created. In this Cloud Service, content is limited to queries Client may choose to save by using keyword and other search text Client inputs into the system, and output is treated differently than this content, because it is owned by IBM and not Client. As between IBM and Client, the output is owned by or licensed to IBM, and contains the valuable copyrighted and proprietary material of IBM or its licensors.

#### Data Requirements

The creation of the output depends on IBM having access to data provided by one or more third party vendors. Client agrees to the provisions of the "Third Party Data Terms – Direct Data Vendor – Fitch Solutions" section which sets out terms and conditions for the use of such data, and which also apply to the use of the output. If IBM's access to any third party data required to provide Client with the Cloud Service is restricted for any reason, either party may terminate this Service Description, and in the case of termination by IBM only, IBM will refund to Client the remaining balance of any fees that have been paid by Client and not yet consumed as of the date of termination.

### 1.1 Offerings

The Client may select from the following available offerings.

#### 1.1.1 IBM FIRST

The IBM FIRST Cloud Service offering is a database of operational risk case studies that are focused to the financial services industry. These case studies can be used to assist Client to satisfy the external data element requirement for Basel II or III, Solvency II or Regulatory Compliance programs.

The database is updated on a regular basis and provides new and updated cases for Client to review and download as needed.

IBM FIRST provides the following:

- a. Base Capabilities for all user types
  - (1) Access to the IBM FIRST website with a userid and password via main web interface that allows Client to search for events by using a number of parameters (more fully described in the IBM FIRST Manual), including company names, hierarchy names, dates and loss amount.
  - (2) Allows Client to save search criteria for running the search again at a future date.
  - (3) Allows Client to view results of searches in table format, as well as showing graphs that break down the results over hierarchies to which the data is indexed.
  - (4) Allows Client to download the search results into .CSV, .RTF or .PDF format.
  - (5) Allows Client to download other supporting documents such as monthly newsletters, monthly summaries, quarterly statistics, whitepapers and guides.
  - (6) Allows Client to set up custom download templates (selecting which fields Client prefer for download purposes).
  - (7) Allows Client to set up email alerts on saved searches (which alerts users to new events available to be viewed in the database).
- b. Authorized User Types
  - (1) Standard FIRST Users have access to all Base Capabilities.
  - (2) External Admin FIRST Users have access to the same capabilities as Standard FIRST Users, as well as access to the following External Admin capabilities: manage the FIRST users for

their organization, including set up new users within their user entitlement; delete users; reset passwords; and change basic information about users.

It is recommended to use the latest browser version, however, in order to access the Cloud Service, Client must be able to meet the following minimum encryption and browser requirements:

- Connection to the Cloud Service requires use of TLS 1.2 protocol or higher.
- 128bit encryption minimum for all transmitted or received data.
- Minimum of Internet Explorer 11 or higher or Firefox 60 or higher required.

### **1.1.2 IBM OpData Quantitative Database**

IBM OpData Quantitative Database is a quantitative database of operational risk events provided in an XLS file format, which is delivered on a bi-annual basis and may be incorporated with Client's own risk systems. These events can be used to assist Client in satisfying the external data element requirement for Basel II or III, Solvency II or Regulatory Compliance programs for financial services institutions. The particular focus of IBM OpData Quantitative Database is to provide "tail events" for the purpose of modeling operational risk.

The database provides new and updated events in each release. As well as the events, the database also includes an audit trail which identifies changes in events since the previous version.

## **1.2 Optional Services**

In addition to the Access and Authorized User, Client may choose to supplement IBM FIRST Cloud Service offering access with a data Add-On option. The data Add-On allows Client to incorporate the FIRST data with Client's own risk software systems.

### **1.2.1 IBM FIRST Data Add-On XML Version**

This version can be integrated with most risk systems as it is in XML format. Using the XML schema provided allows Client to create Client's own filters and program interfaces to integrate the FIRST data with Client's risk systems. The XML version of the FIRST data is provided on a daily, weekly or monthly basis.

### **1.2.2 IBM FIRST Data Add-On FastMap Version**

This version was designed specifically for integration with OpenPages ORM module version 6.2.1 or higher. Specific instructions on how to integrate this data add-on to OpenPages is provided with the OpenPages software, which Client must license separately. The FastMap version of the FIRST data is provided on a daily, weekly or monthly basis.

### **1.2.3 IBM FIRST Data Add-On Security Directory Integrator Version**

This data Add-On is an alternative method of integrating with OpenPages ORM module version 7.2 or higher. Instructions on how to build assembly lines in IBM FIRST Data Add-On Security Directory Integrator Version to integrate this data add-on with OpenPages is provided with the OpenPages software which the Client must license separately. The IBM FIRST Data Add-On Security Directory Integrator Version data feed is provided to Clients on a daily basis.

## **2. Data Processing and Protection Data Sheets**

IBM's Data Processing Addendum at <http://ibm.com/dpa> (DPA) and the Data Processing and Protection Data Sheet(s) (referred to as data sheet(s) or DPA Exhibit(s)) in the links below provide additional data protection information for the Cloud Services and its options regarding the types of Content that may be processed, the processing activities involved, the data protection features, and specifics on retention and return of Content. The DPA applies to personal data contained in Content, if and to the extent i) the European General Data Protection Regulation (EU/2016/679) (GDPR); or ii) other data protection laws identified at <http://www.ibm.com/dpa/dpl> apply.

<https://www.ibm.com/software/reports/compatibility/clarity-reports/report/html/softwareReqsForProduct?deliverableId=18792650D23511E48900E8F9867BF357>

### 3. Service Levels and Technical Support

#### 3.1 Service Level Agreement

IBM provides Client with the following availability service level agreement (SLA). IBM will apply the highest applicable compensation based on the cumulative availability of the Cloud Service as shown in the table below. The availability percentage is calculated as the total number of minutes in a contracted month, minus the total number of minutes of Service Down in the contracted month, divided by the total number of minutes in the contracted month. The Service Down definition, the claim process and how to contact IBM regarding service availability issues are in IBM's Cloud Service support handbook at [https://www.ibm.com/software/support/saas\\_support\\_overview.html](https://www.ibm.com/software/support/saas_support_overview.html).

Availability	Credit (% of monthly subscription fee*)
Less than 99.9%	2%
Less than 99.0%	5%
Less than 95.0%	10%

\* The subscription fee is the contracted price for the month which is subject to the claim.

#### 3.2 Technical Support

Technical support for the Cloud Service, including support contact details, severity levels, support hours of availability, response times, and other support information and processes, is found by selecting the Cloud Service in the IBM support guide available at <https://www.ibm.com/support/home/pages/support-guide/>.

### 4. Charges

#### 4.1 Charge Metrics

The charge metric(s) for the Cloud Service are specified in the Transaction Document.

The following charge metrics apply to this Cloud Service:

- Access is the right to access functionality of the Cloud Services.
- Authorized User Name is a unique user authorized to access to the Cloud Services in any manner directly or indirectly (for example, through a multiplexing program, device or application server) through any means.
- Legacy Contract is a unit of measure by which the Cloud Service offering can be entitled. Legacy charge metric types are no longer actively marketed by IBM. IBM may, however, at its sole and exclusive discretion, agree to increase Client's existing entitlements to use certain versions of the Cloud Service offering (Legacy SaaS) under a Legacy entitlement type. Cloud Service offerings acquired under a Legacy charge metric type are indicated by the notation "Legacy", in the Transaction Document. Client's use of all Legacy SaaS is subject to the charge metric terms.

### 5. Additional Terms

For Cloud Service Agreements (or equivalent base cloud agreements) executed prior to January 1, 2019, the terms available at <https://www.ibm.com/acs> apply.

#### 5.1 Cumulative Entitlement – IBM FIRST Risk Case Studies

Authorized User and Access are not alternative means for entitling usage of the Cloud Service offering. Client must obtain an Access entitlement, as well as sufficient Authorized User entitlements to cover all users of the Cloud Service offering.

#### 5.2 Effect of Cloud Service Expiration/Termination

On expiration or termination of this Service Description, Client must destroy the output and all copies made, but may keep one copy of the output (except for any documentation provided through the Cloud Service portal) for archival and backup purposes, provided that all titles, trademarks and copyright notices and disclaimers and restricted rights notices are accurately reproduced on such copy. This archival copy may only be used for the purposes of meeting Client's regulatory compliance and audit obligations.

### **5.3 Additional Usage Terms for IBM FIRST Data Add-On XML Version, IBM FIRST Data Add-On FastMap Version, IBM FIRST Data Add-On Security Directory Integrator Version, and IBM OpData Quantitative Database**

If Client has purchased IBM FIRST Data Add-On XML Version, IBM FIRST Data Add-On FastMap Version, IBM FIRST Data Add-On Security Directory Integrator Version or IBM OpData Quantitative Database, Client is permitted to merge the output with any third-party products. All other terms and conditions within the Agreement and Service Description remain applicable.

### **5.4 Third Party Data Terms – Direct Data Vendor – Fitch Solutions**

- a. IBM has entered into an Agreement with Fitch Solutions, Inc. (Fitch Solutions) for the provision of certain information (the "Fitch Solutions Information") which may be used to create the output.
- b. Client agrees to use the Fitch Solutions Information, in whatever form, solely as part of the Cloud Service Offering in accordance with the terms of the Agreement and this Service Description.

#### **5.4.1 Third Party Data Terms – Fitch Solutions Information Specific Terms of Use**

- a. Although the Fitch Solutions Information is based upon information obtained from sources Fitch Solutions believes in good faith to be reliable, Client acknowledges that Fitch Solutions does not represent, warrant or guarantee the accuracy, correctness, integrity, completeness or timeliness of any part of the Fitch Solutions Information and expressly acknowledges Fitch Solutions disclaimer that Fitch Solutions does not audit or verify the accuracy of the information provided to it by any third party, including without limitation issuers, their representatives, accountants and legal advisors and others.

Fitch Solutions also does not represent, warrant or guarantee: (i) the design or performance of any part of the Fitch Solutions Information; or (ii) that the Fitch Solutions Information will fulfill any of Client's particular purposes or needs.

- b. Fitch Solutions does not recommend the purchase or sale of financial products or securities and does not give investment advice or provide any legal, auditing, accounting, appraisal or actuarial services. A rating is not an opinion as to the value of securities. Some products included in the Fitch Solutions Information may include mathematically or non-mathematically derived theoretical approximations of value for certain securities. Fitch Solutions makes no representation or warranty that such evaluations are error-free, that input data supplied to or by Fitch Solutions for use in its evaluations or the software or methodologies used by Fitch Solutions are complete or free from errors, omissions, or defects, or that approximations of value generated by its models and evaluation methodologies necessarily correspond to the actual traded price which could be obtained on any given day for any particular security. Users of the Fitch Solutions Information assume all responsibility for verification of and appropriateness of the use of evaluations. Some products included in the Fitch Solutions Information may include opinions relating to the liquidity or other attributes of financial products or securities. Fitch Solutions makes no representation or warranty as to the accuracy, correctness, integrity, completeness or timeliness of any such opinion. Fitch Solutions is not responsible or liable for any credit, loan or investment decisions, damages or other losses resulting from the reliance upon or use of the Fitch Solutions Information or output derived from or incorporating the Fitch Solutions Information.
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## 5.5 Restrictions Applicable to Output

Except as specifically allowed under this Agreement and Service Description, or upon the prior written consent of IBM, Client and Client's users may not: (i) publish, copy, modify, merge, transfer or distribute any of the output; (ii) reverse-engineer, decompile, translate, disassemble or separate the components of the output; (iii) sublicense, rent, sell, lease or otherwise repackage or redistribute the output or any part thereof; (iv) use the output or any part thereof for third-party training, commercial time-sharing or in the operation of a service bureau; or (v) create any work or product, derived in whole or in part from the output.

However, Client may, as part of and in the ordinary course of Client's business redistribute for Client's internal business purposes only (orally, in writing or by electronic means) in Client's own business applications, reports, presentations, graphs and other publications (collectively, Materials) that include limited excerpts of the output without IBM's prior written consent provided that: (i) such excerpts are only supportive and incidental to the substance of the Materials; (ii) Client shall be liable for any such redistribution of the output; and (iii) Client agrees not to use the limited right to redistribute the Materials granted hereunder either (a) on a recurrent basis or (b) to develop for sale and/or distribution or otherwise a product or service that competes with any IBM product or service, or (c) in connection with a prospectus or other offering document or document required to be filed pursuant to the securities laws of any jurisdiction. In the event that Client makes use of such Materials as permitted above, Client shall always in the Materials acknowledge IBM as the source of the excerpts with an appropriate notice. Client shall allow IBM to view copies of the Materials by providing to IBM static copies of the Materials in electronic or hard copy format for the sole purpose of confirming that Client is using and distributing the Materials in accordance with the terms of this Agreement and Service Description. In instances where actual ratings or other data points are being shown as part of the Materials, there can be no more than seventy-five (75) ratings or other data points presented in any one particular business application, report, presentation, graph or other written publication.

As used above, limited excerpts of the output: (i) shall have no independent commercial value; (ii) may not be used by the recipient as a substitute for the output; (iii) are not regularly or systematically updated; and (iv) are not separately marketed.