



IBM Cloud Service Description: IBM Digital Recommendations

The following is the Service Description for your Order:

1. Cloud Service Description

The offerings that you have ordered are specified in your Order Document. For the purpose of this Cloud Service, the Order Document will consist of the Quotation that IBM presents to you and the Proof of Entitlement (PoE) that you will receive from IBM confirming that the Cloud Service has been provisioned and setting forth the beginning and end date for the term of the Cloud Service.

IBM Digital Recommendations allows you to automate and optimize the process of making personalized offer recommendations. IBM supports both offer optimization for products (**IBM Product Recommendations**) and general content (**IBM Content Recommendations**) which are offered as separate solutions that you may order, described below.

1.1 IBM Content Recommendations

IBM Content Recommendations is a Cloud Service offering that works together with IBM Digital Analytics, which requires a separate Cloud Service subscription. The IBM Content Recommendations offering automates and optimizes the process of making personalized content suggestions on your website. The IBM Content Recommendations user interface provides the capability to determine content recommendation strategy and define your specific business rules to meet your needs.

1.2 IBM Product Recommendations

IBM Product Recommendations is a Cloud Service offering that works together with IBM Digital Analytics, which requires a separate Cloud Service subscription. The IBM Product Recommendations offering automates and optimizes the process of making personalized product suggestions on your website, in your email campaigns and other marketing channels. The IBM Product Recommendations user interface provides the capability to determine recommendation strategy to meet your needs. A business rules management component provides a graphical user interface for defining advanced business rules that can override or fine tune the final product recommendations made by the solution's affinity algorithms. An included A/B testing component is specifically designed to run A/B/C & D split tests to determine the relative impact different product recommendation offer strategies have on site visitor conversions.

1.3 IBM Product Recommendations Analytics Independent

IBM Product Recommendations Analytics Independent provides the same services as IBM Product Recommendations, without the requirement of a subscription to IBM Digital Analytics.

2. Security Description

IBM implements and maintains the practices and procedures described in this section.

2.1 Security Policies

IBM maintains privacy and security policies that are published and communicated to IBM employees. IBM requires privacy and security education to individuals worldwide that support IBM data centers and we maintain a security team that is focused on information security. IBM security policies and standards are reviewed and re-evaluated annually. IBM security incidents are handled in accordance with a comprehensive incident response procedure.

2.2 Access Control

IBM maintains logical separation of client data. Client data resides in its own client-specific schema and is designed to be accessible through the Cloud Service or client-specified data export. Access to the Cloud Service and client data is controlled and managed by the client's designated administrator. IBM uses multi factor authentication and encrypted VPN tunnel technology when accessing client systems. Access is restricted to those individuals requiring access in order to maintain and administer the Cloud Service and associated hardware and software infrastructure in third party data center facilities. IBM uses WIFI (a/k/a 802.11) network traffic that is encrypted using WPA2 with the AES encryption algorithm option and provides for non-broadcast SSID and mutual authentication between the server and the end devices when accessing systems containing client data.

2.3 Service Integrity & Availability

Modifications to operating system resources (OSRs) and application software are governed by IBM's change management process. Hardware, software, access logs, read only access and encryption controls are used within the network infrastructure and on the workstations of individuals working in IBM data centers or with client data in IBM's data centers to help lessen the likelihood of the propagation and execution of computer viruses and other forms of known harmful code. IBM uses over-the-network encryption via standard SSL (https) connections and the IBM infrastructure employs technology solutions for end-to-end security, including firewall, intrusion prevention, and anti-malware technologies. Transmission Control Protocols/Internet Protocols (TCP/IP) vulnerability scanning is periodically conducted by authorized administrators to detect and resolve potential system security exposures. IBM warehouse data is copied to secondary storage in the IBM data center, and tertiary archival (tape) is encrypted and duplicated for storage at a 3rd party offsite disaster recovery facility.

2.4 Activity logging

IBM maintains logs of its activity for systems, applications, data repositories, middleware and network infrastructure devices that are capable of and configured for logging activity. IBM maintains logs for recording i) successful and unsuccessful logon access attempts ii) successful and unsuccessful attempts to gain access to the infrastructure from an external location, iii) update access attempts to OSRs and iv) activities performed using system or security administrative authority.

2.5 Physical Security

IBM restricts access to only IBM data center authorized personnel in IBM and IBM third party provided data centers. The IBM Cloud Service environment includes multi-factor authentication for physical access, involving a unique code and biometric scan, as well as 24 x 7 security personnel, manned security, and video surveillance. IBM prohibits unauthorized viewing, copying, alteration or removal of any media containing client data. Removable media on which client data are stored (including thumb drives, CDs, and DVDs) are encrypted using at least 256 bit AES (or equivalent). IBM issued laptops and workstations require implementation of whole disk encryption (PGP) where access privileges to sensitive or client data may be required. IBM destroys removable media and any mobile device (such as discs, USB drives, DVDs, back-up tapes, printers, and laptops) containing client data, or renders client data on such physical media unintelligible and not capable of reconstruction by any technical means prior to any reuse of the media. IBM shreds paper waste and disposes of it in a secure and confidential manner so as to render such paper waste unreadable.

2.6 Compliance

IBM certifies its privacy practices annually as consistent with the U.S. Department of Commerce's Safe Harbor Principles: Notice, Choice, Onward Transfer, Access and Accuracy, Security, and Oversight/Enforcement. Industry standard audit SSAE 16 type (formerly SAS 70), or equivalent, is performed annually in our production data centers. IBM reviews security and privacy-related activities for compliance with IBM's business requirements. Assessments and audits are conducted regularly by IBM to confirm compliance with its information security policies. Security policies in place provide for security audits, the periodic application of security patches and password management and control. Workforce security education and awareness training is completed by IBM's employees and vendor employees on an annual basis. Personnel are reminded of their job objectives and their responsibility to meet ethical business conduct, confidentiality and IBM's security obligations on an annual basis.

3. Service Level Commitment

IBM provides the following service level commitments ("SLA") for the Cloud Service, after IBM makes the Cloud Service available to you. The specific offering to which the SLA applies is set forth in the "Service Level" table below and will be known as the "Service" throughout this section that describes the SLA.

3.1 Definitions

"Application Downtime" – means a period of time during which users of the IBM hosted portions of the application interface are unable to use all aspects of the Service for which they have appropriate permissions. By way of clarification, there is no "Downtime" if any user can use any aspect of the Service for which they have appropriate permissions.

"Availability Credit" – means the remedy IBM will provide for a validated Claim. The Availability Credit will be applied in the form of a credit or discount against a future invoice of subscription charges for the Service.

“Claim” – means a claim submitted by you to IBM pursuant to this SLA that a Service Level has not been met during a Contracted Month.

“Contracted Month” – means each full month during the term of the Service measured from 12:00 a.m. GMT on the first day of the month through 11:59 p.m. GMT on the last day of the month.

“Downtime” – means Application Downtime and/or Inbound Data Collection Downtime and is a period of time during which production system processing for the Services has stopped and all of your users are unable to use all aspects of the Service for which they have appropriate permissions. Downtime does not include the period of time when the Service is not available as a result of:

- A scheduled outage for the purpose of maintenance.
- Events or causes beyond IBM’s control (e.g., natural disaster, internet outages, etc.)
- Problems with your applications, equipment, or data, or a third party’s applications, equipment or data.
- Your failure to adhere to required system configurations and supported platforms for accessing the Service.
- IBM’s compliance with any designs, specifications, or instructions that you provide to IBM or a third party provides to IBM on your behalf.

“Event” – means a circumstance or set of circumstances taken together, resulting in a failure to meet a Service Level.

“Inbound Data Collection Downtime” – means a period of time during which the Service is unable to collect inbound data via the inbound data processing elements of the Service.

“Service Level” – means the standard set forth below by which IBM measures the level of service it provides in this SLA.

4. Availability Credits

- a. In order to be eligible to submit a Claim you must log a Severity 1 support ticket (as defined below in the Technical Support section) for each Event with the IBM technical support help desk, within twenty-four (24) hours of your first becoming aware that the Event has impacted your use of the Service. You must provide all necessary detailed information about the Event and reasonably assist IBM with the diagnosis and resolution of the Event.
- b. You must submit your Claim for an Availability Credit no later than three (3) business days after the end of the Contracted Month that is the subject of the Claim.
- c. Availability Credits will be based on the duration of the Downtime measured from the time you report that you were first impacted by the Downtime. If you report an Event of Application Downtime and an Event of Inbound Data Collection Downtime occurring simultaneously, then IBM will treat the overlapping periods of Downtime as a single period of Downtime, and not as two separate periods of Downtime. For each valid Claim, IBM will apply the highest applicable Availability Credit based on the achieved Service Level during each Contracted Month, as shown on the tables below. IBM will not be liable for multiple Availability Credits for the same Event(s) in the same Contracted Month.
- d. For Bundled Service (individual Services packaged and sold together for a single combined price), the Availability Credit will be calculated based on the single combined monthly price for the Bundled Service, and not the monthly subscription fee for each individual Service. You may only submit Claims relating to one individual Service in a bundle in any Contracted Month, and IBM will not be liable for Availability Credits with respect to more than one Service in a bundle in any Contracted Month.
- e. If you purchased the Service from a valid IBM reseller in a remarketing transaction in which IBM maintains primary responsibility for fulfilling the Service and SLA commitments, then the Availability Credit will be based on the then-current Relationship Suggested Value Price (RSVP) for the Service in effect for the Contracted Month which is the subject of a Claim, discounted at a rate of 50%.
- f. The total Availability Credits awarded with respect to any Contracted Month shall not, under any circumstance, exceed twenty percent (20%) of one twelfth (1/12th) of the annual charge paid by you to IBM for the Service.

5. Service Levels

Service	Applicable Service Level	
	Application availability during a Contracted Month	Inbound Data Collection availability during a Contracted Month
IBM Product Recommendations	Y	Y
IBM Content Recommendations	Y	Y
IBM Product Recommendations Analytics Independent	Y	Y

Achieved Service Level during a Contracted Month	Availability Credit (% of Monthly Subscription Fee for Contracted Month which is the subject of a Claim)
99% - 99.949%	2%
98% - 98.999%	5%
97% - 97.999%	12%
Less than 97.000%	20%

“Achieved Service Level” percentage is calculated as: (a) the total number of minutes in a Contracted Month, minus (b) the total number of minutes of Downtime in a Contracted Month, divided by (c) the total number of minutes in a Contracted Month, with the resulting fraction expressed as a percentage.

Example: 50 minutes total Downtime during Contracted Month

43,200 total minutes in a 30 day Contracted Month -- 50 minutes Downtime = 43,150 minutes <hr style="width: 50%; margin: 0 auto;"/> 43,200 total minutes in a 30 day Contracted Month	= 2% Availability Credit for 99.884% Achieved Service Level
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6. Other information about this SLA

This SLA is made available only to IBM's clients and does not apply to claims made by your users, guests, and participants of the Service or to any beta or trial services that IBM provides. The SLA only applies to the Services that are in production use, so it does not apply to non-production environments, including but not limited to test, disaster recovery, QA or development. If you have breached any material obligations under your contract for the Service, including without limitation, breach of any payment obligations, you may not make a Claim under this SLA.

7. Entitlement, Billing, Term and Support Information

7.1 Charge Metrics

The Cloud Service offerings are sold in accordance with the following metric(s):

- a. **Engagement** is a unit of measure by which the services can be obtained. An Engagement consists of professional and/or training services including but not limited to a training event, business analysis, or a deliverable-based services event. Sufficient entitlements must be obtained to cover each Engagement.
- b. **Million Server Calls (MSCs)** is a unit of measure by which the Cloud Service can be obtained. A Server Call is data passed to and processed by the Cloud Service as a result of a tagged event, initiated by a tracked visitor for one Entity ID. A Server Call processed by different Entity IDs will be counted as a unique Server Call for each unique Entity ID. An Entity ID separates and/or controls

access rights to data in the Cloud Service which may encompass processed data from one or more of your web sites. Each MSC entitlement represents one Million Server Calls. Sufficient Million Server Call entitlements must be obtained to cover the number of Server Calls processed during the measurement period specified in the Order Document.

For purposes of this Cloud Service offering, a Client ID is the same as an Entity ID.

- c. **Thousand Revenue Conversion Unit (TRCU)** is a unit of measure by which the Cloud Service can be obtained. A Revenue Conversion Unit is a currency-independent measure of a Revenue amount relevant to the Cloud Service. Currency-specific Revenue amounts must be converted into RCUs in accordance with the table located at http://www.ibm.com/software/licensing/conversion_unit_table. Each TRCU entitlement represents one Thousand RCUs. Sufficient TRCU entitlements must be obtained to cover the amount of Revenue processed or managed by the Cloud Service during the measurement period specified in the Order Document.
- d. **Ten Thousand USD Sales Revenue** is a unit of measure by which the Cloud Service can be obtained. Ten Thousand USD Sales Revenue is the amount of revenue generated by you through tracked online initiatives expressed in Ten Thousand United States Dollars (USD) as tracked by the Cloud Service. Sufficient entitlements must be obtained to cover the total USD Sales Revenue generated during the measurement period specified in the Order Document.
- e. **Ten Thousand EUR Sales Revenue** is a unit of measure by which the Cloud Service can be obtained. Ten Thousand EUR Sales Revenue is the amount of revenue generated by you through tracked online initiatives expressed in Ten Thousand Euro as tracked by the Cloud Service. Sufficient entitlements must be obtained to cover the total EUR Sales Revenue generated during the measurement period specified in the Order Document.
- f. **Ten Thousand GBP Sales Revenue** is a unit of measure by which the Cloud Service can be obtained. Ten Thousand GBP Sales Revenue is the amount of revenue generated by you through tracked online initiatives expressed in Ten Thousand United Kingdom Pound Sterling (GBP) as tracked by the Cloud Service. Sufficient entitlements must be obtained to cover the total GBP Sales Revenue generated during the measurement period specified the Order Document.
- g. **Million YEN Sales Revenue** is a unit of measure by which the Cloud Service can be obtained. Million YEN Sales Revenue is the amount of revenue generated by you through tracked online initiatives expressed in Million Japanese YEN as tracked by the Cloud Service. Sufficient entitlements must be obtained to cover the total YEN Sales Revenue generated during the measurement period specified in the Order Document.
- h. **Ten Thousand CAD Sales Revenue** is a unit of measure by which the Cloud Service can be obtained. Ten Thousand CAD Sales Revenue is the amount of revenue generated by you through tracked online initiatives expressed in Ten Thousand Canadian Dollars (CAD) as tracked by the Cloud Service. Sufficient entitlements must be obtained to cover the total CAD Sales Revenue generated during the measurement period specified in the Order Document.
- i. **Ten Thousand AUD Sales Revenue** is a unit of measure by which the Cloud Service can be obtained. Ten Thousand AUD Sales Revenue is the amount of revenue generated by you through tracked online initiatives expressed in Ten Thousand Australian Dollars (AUD) as tracked by the Cloud Service. Sufficient entitlements must be obtained to cover the total AUD Sales Revenue generated during the measurement period specified in the Order Document.
- j. **Ten Thousand SGD Sales Revenue** is a unit of measure by which the Cloud Service can be obtained. Ten Thousand SGD Sales Revenue is the amount of revenue generated by you through tracked online initiatives expressed in Ten Thousand Singaporean Dollars (SGD) as tracked by the Cloud Service. Sufficient entitlements must be obtained to cover the total SGD Sales Revenue generated during the measurement period specified in the Order Document.
- k. **Ten Thousand BRL Sales Revenue** is a unit of measure by which the Cloud Service can be obtained. Ten Thousand BRL Sales Revenue is the amount of revenue generated by you through tracked online initiatives expressed in Ten Thousand Brazilian Real (BRL) as tracked by the Cloud Service. Sufficient entitlements must be obtained to cover the total BRL Sales Revenue generated during the measurement period specified in the Order Document.

7.2 Additional entitlement information: IBM Product Recommendations Analytics Independent

Included in the subscription for this Cloud Service is the following:

- Based on IBM's assessment, you will be provided an appropriate number of Client IDs (between 1-50) in order to meet your recommendations needs.
- IBM Digital Analytics Digital Data Exchange
- IBM Digital Analytics Import with the standard data importation modules (Category Definition File, Enterprise Products Report and Forecast Metrics)

7.3 Charges and Billing

7.3.1 Billing Options

The amount payable for the Cloud Service offerings are specified in the Order Document as follows:

- Entire commitment amount upfront
- Monthly (in arrears)
- Quarterly (upfront)
- Annually (upfront)

The selected billing option will be valid for the length of the term as specified in the Order Document. The amount payable per billing cycle will be based on the monthly or annual subscription fee and number of billing cycles in a year plus any overage charges.

7.3.2 Partial Month Charges

The Partial Month charge is a pro-rated daily rate that will be charged to you and included in the first invoice. The Partial Month Charges are calculated based on the remaining days of the partial month starting on the date you are notified by IBM that your access to the Cloud Service offering is available.

7.3.3 Overages

If your actual usage of the Cloud Service in any quarter (based on the calendar year beginning January 1) exceeds three (3) times the entitlement stated in the Order Document, then you will be invoiced for the overage, as set forth in the Order Document. If you are provisioned within a given quarter, overage will be prorated accordingly.

7.3.4 On-Demand

On-Demand options will be invoiced in the month the on-demand option is ordered by you at the rate set forth in the Order Document.

7.3.5 Set-up

Set-up charges will be specified in an Order Document.

- IBM Product Recommendations Analytics Independent One-Time Setup fee will be charged upon initial provisioning at the rate and billing term specified in the Order Document.

7.3.6 Remote Services (Human Based)

Remote Services (Human Based) are purchased per Engagement charge metric.

- IBM Product Recommendations Premium Onboarding Services – Dynamic or mixed delivery
Provides up to 48 hours of remote consulting, best practices, training and configuration for onboarding to IBM Product Recommendations or IBM Product Recommendations Analytics Independent, as applicable, for the dynamic or mixed delivery method. These services expire 90 days from date you are notified by IBM that your access to IBM Product Recommendations or IBM Product Recommendations Analytics Independent, as applicable, is available, regardless of whether all hours have been used.
- IBM Product Recommendations Premium Onboarding Services – Flat file delivery
Provides up to 40 hours of remote consulting, best practices, training and configuration for onboarding to IBM Product Recommendations or IBM Product Recommendations Analytics Independent, as applicable, for the flat file delivery method. These services expire 90 days from date you are notified by IBM that your access to IBM Product Recommendations or IBM Product Recommendations Analytics Independent, as applicable, is available, regardless of whether all hours have been used.

c. **IBM Content Recommendations Premium Onboarding Services**

Provides up to 48 hours of remote consulting, best practices, training and configuration for onboarding to IBM Content Recommendations. These services expire 90 days from date you are notified by IBM that your access to IBM Content Recommendations is available, regardless of whether all hours have been used.

7.4 Term and Renewal Options

7.4.1 Term

The term of the Cloud Service will begin on the date that IBM notifies you that you have access to the portions of the Cloud Service that are described in the Order Document. The PoE portion of the Order Document will confirm the exact date of the start and end of the term, as well as how or whether the term will renew. You are permitted to increase your level of use of the Cloud Service during the term by contacting IBM or an IBM Business Partner. We will include that change in an Order Document.

7.4.2 Cloud Services Term Renewal Options

Your Order Document will set forth whether the Cloud Service will renew at the end of the term, by designating the term as one of the following:

a. **Automatic Renewal**

If your Order Document states that your renewal is automatic, you may terminate the expiring Cloud Service term by written request, at least ninety (90) days prior to the expiration date of the term that is set forth in the Order Document. If IBM or an IBM Business Partner does not receive such termination notice by the expiration date, the expiring term will be automatically renewed for either a one year term or the same duration as the original term as set forth in the PoE portion of the Order Document.

b. **Continuous Billing**

When the Order Document notes that your billing is continuous, you will continue to have access to the Cloud Service and will be billed for the usage of the Cloud Service on a continuous billing basis. To discontinue use of the Cloud Service and stop the continuous billing process, you will need to provide IBM or an IBM Business Partner with ninety (90) days written notice requesting that your Cloud Service be cancelled. Upon cancellation of your access, you will be billed for any outstanding access charges through the month in which the cancellation took effect.

c. **Renewal Required**

When the Order Document notes that your renewal type is "terminate", the Cloud Service will terminate at the end of the term and your access to the Cloud Service will be removed. To continue to use the Cloud Service beyond the end date, you will need to place an order with your IBM sales representative or IBM Business Partner to purchase a new subscription term.

7.5 Technical Support

Technical support for the Cloud Service is available during the subscription period.

Regular Phone and Email Support Hours of Operation are as follows:

Sunday 8:00 p.m. – Friday 7:00 p.m. U.S. Central Time zone, (excluding IBM company-observed holidays)

After Hours Support:

After Hours Support (outside of the regular operating hours stated above) is available only for Severity 1 issues on business days, weekends, and holidays.

Support Hotline: 1-866-493-2673 in the US (other numbers available via the Support portal)

Email: cm_support@us.ibm.com

24 x 7 Support portal: <https://support.ibmcloud.com> or the Support link from the Cloud Service, which provided an online Knowledge Base, FAQs, recorded training, downloadable documentation, and ticket view and update.

Live Chat (for business questions related to using the Cloud Service applications): Sunday – Friday, 8:00 PM – 6:00 PM U.S. Central time zone (excluding IBM company observed holidays)

Severity	Severity Definition	Response Time Objectives	Response Time Coverage
1	Critical business impact/service down: Business critical functionality is inoperable or critical interface has failed. This usually applies to a production environment and indicates an inability to access services resulting in a critical impact on operations. This condition requires an immediate solution.	Within 1 hour	24x7
2	Significant business impact: A service business feature or function of the service is severely restricted in its use or you are in jeopardy of missing business deadlines.	Within 2 business hours	M-F business hours
3	Minor business impact: Indicates the service or functionality is usable and it is not a critical impact on operations.	Within 4 business hours	M-F business hours
4	Minimal business impact: An inquiry or non-technical request	Within 1 business day	M-F business hours

8. Additional Information

8.1 Privacy Notice and Policy

You agree to (i) provide a clear and conspicuous link to your website terms of use and privacy policy which includes a link to IBM's (<http://www.ibm.com/software/marketing-solutions/privacy/index.html>) and your data collection and use practices (ii) provide notice that cookies and clear gifs/web beacons are being placed on the visitor's computer by IBM working on your behalf along with an explanation of the purpose and utilization of such technology, and (iii) to the extent required by law, obtain consent from website visitors prior to the placement of cookies and clear gifs/web beacons placed by you or IBM on your behalf on website visitor's devices.