

Service Description

IBM Digital Recommendations

This Service Description describes the Cloud Service IBM provides to Client. Client means the company 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 Digital Recommendations allows Client 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 Client 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 Client's website. The IBM Content Recommendations user interface provides the capability to determine content recommendation strategy and define Client specific business rules to meet Client's 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 Client's website, in Client's email campaigns and other marketing channels. The IBM Product Recommendations user interface provides the capability to determine recommendation strategy to meet Client's 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

This Cloud Service follows IBM's data security and privacy principals for IBM SaaS which are available at <https://www.ibm.com/cloud/resourcecenter/content/80> and any additional terms provided in this section. Any change to IBM's data security and privacy principals will not degrade the security of the Cloud Service.

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 twenty-four (24) hours of first becoming aware of an event that has impacted the Cloud Service availability. 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 three (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 twenty (20) 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

“Inbound Data Collection” means the collection of inbound data via the inbound data processing elements of the Cloud Service.

Cloud 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

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)
99% - 99.949%	2%
98% - 98.999%	5%
97% - 97.999%	12%
Less than 97.000%	20%

* 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.

Example: 50 minutes total Downtime during contracted month

$\frac{43,200 \text{ total minutes in a 30 day contracted month} - 50 \text{ minutes Downtime}}{43,200 \text{ total minutes}} = 99.884\%$	= 2% Availability credit for 99.884% availability during the contracted month
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4. Technical Support

Technical support for the Cloud Service is provided via email, online support system, Live Chat and by phone ("Technical Support"). IBM will make available the IBM Software as a Service Support Handbook which provides technical support contact information and other information and processes. Technical support is offered with the Cloud Service and is not available as a separate offering.

Severity	Severity Definition	Response Time Objectives During Support Hours
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
2	Significant business impact: A service business feature or function of the service is severely restricted in its use or Client is in jeopardy of missing business deadlines.	Within 2 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
4	Minimal business impact: An inquiry or non-technical request	Within 1 business day

5. Entitlement and Billing Information

5.1 Charge Metrics

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

- 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 Client's 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 Transaction 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 Transaction 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 Client 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 Transaction 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 Client 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 Transaction 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 Client 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 in the Transaction 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 Client 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 Transaction 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 Client 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 Transaction 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 Client 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 Transaction 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 Client 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 Transaction 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 Client 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 Transaction Document.

5.2 Setup Charges

Setup charges will be specified in the Transaction 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 Transaction Document

5.3 Partial Month Charges

A partial month charge as specified in the Transaction Document may be assessed on a pro-rated basis.

5.4 Overage Charges

If Client's actual usage of the Cloud Service in any quarter (based on a calendar year beginning January 1) exceeds three (3) times the entitlement specified in a PoE or Transaction Document, then Client will be invoiced for the overage in accordance with the overage rates specified in the applicable PoE or Transaction Document.

5.5 Remote Service Charges

Remote Services are purchased on a per Engagement charge metric and are invoiced when ordered. Services expire 90 days from date of purchase regardless of whether all hours have been used.

5.5.1 IBM Product Recommendations Premium Onboarding Services

Provides up to 48 hours of remote consulting, best practices, training and configuration for onboarding Clients to IBM Product Recommendations or IBM Product Recommendations Analytics Independent, as applicable.

5.5.2 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.

5.5.3 IBM Digital Recommendations Optimization

Provides up to 20 hours of remote consulting, best practices and support to help optimize configuration and use for Clients who have already been onboarded (or in conjunction with onboarding) for Clients of either IBM Product Recommendations or IBM Content Recommendations.

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 Information

7.1 IBM Product Recommendations Analytics Independent

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

- Based on IBM's assessment, Client will be provided an appropriate number of Client IDs (between 1-10) in order to meet Client's 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)

7.2 Use of Client Data by IBM

Client data may be utilized by IBM for internal research, testing, and development in a non-production environment provided IBM first removes all characteristics which may reveal Client's identity or proprietary business processes. Client may elect for their data not to be used for such non-production purposes by contacting Technical Support.

7.3 Privacy Notice and Policy

Client agrees to (i) provide a clear and conspicuous link to their 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 Client's 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 Client's 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 Client or IBM on Client's behalf on website visitor's devices.