



## IBM Cloud Service Agreement

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### IBM Cloud Service Description: IBM Cognos Incentive Compensation Management on Cloud

The following is the Service Description for your Order:

#### 1. Cloud Service Description

Cloud Service Description for the following Cloud Service offerings that you may order. 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.

##### 1.1 IBM Cognos Incentive Compensation Management on Cloud

This base Cloud Service automates the process of calculating, reporting and administering variable-based pay such as sales commissions and bonus programs. Each base Cloud Service includes one production instance, one non-production instance, and up to three years of data history. The Cloud Service includes an administrative client that is used to build compensation plan logic, construct reports, and configure aspects of the Cloud Service. It also includes a web portal through which sales representatives, operations staff and managers can view dashboards and perform certain functions through a web interface (for example, approving a compensation plan document before it is sent to an employee).

This Cloud Service also includes the following disaster recovery and content backup services:

- a. In the event that a catastrophic condition arises, catastrophic being defined as "Force Majeure" meaning acts of God, terrorism, labor action, fire, flood, earthquake, riot, war, governmental acts, orders or restrictions, viruses, denial of service attacks and other malicious conduct, utility and network connectivity failures, or any other cause of Cloud Service unavailability that was outside IBM's reasonable control, IBM will work to restore your access to the Cloud Service by utilizing the hardware, software and network infrastructure in IBM's data-center network, with a return to operation within 14 days.
- b. The environment will be restored using the most recent content backup, as described below, with no more than 24 hours of content loss of the restored content data set.
- c. Content Backup: Backups are taken daily and copied to an off-site location in the event of a Force Majeure episode in the primary location. IBM retains backups on a rolling basis: every 7 days, a full database backup is taken and each subsequent day within the week a comparative differential backup is taken. IBM will retain the last 7 days of daily differential backups and the previous 4 full backups (covering a span of 28 days of activity). As a new full backup is created, the oldest version is discarded. Backups are encrypted at rest on a disk-based backup system and during transmission to the offsite location.

##### 1.2 IBM Cognos Incentive Compensation Management for Transaction Based Payees on Cloud

A Transaction Based Payee is an Eligible Participant (as defined in the Use Metrics section below) currently engaged, directly or indirectly, with the Client and is managed or tracked by the Cloud Service for the purposes of receiving compensation from a transaction.

##### 1.3 IBM Cognos Incentive Compensation Management for Non-Transaction Based Payees on Cloud

A Non-Transaction Based Payee is an Eligible Participant currently engaged, directly or indirectly, with the Client and is managed or tracked by the Cloud Service for the purposes of receiving non-transaction based compensation, including but not limited to, bonuses and managed business objectives.

##### 1.4 IBM Cognos Incentive Compensation Management for Inactive Payees on Cloud

An Inactive Payee is an Eligible Participant not currently engaged, directly or indirectly, with the Client, however which continues to be managed or tracked by the Cloud Service.

### **1.5 IBM Cognos Incentive Compensation Management for Administrative Users on Cloud**

An Administrative User is an individual who partakes in the creation and/or ongoing administration of incentive compensation plans.

### **1.6 IBM Cognos Incentive Compensation Management Data Volume on Cloud**

The number of rows of transactions per month (1,000,000 by default).

### **1.7 IBM Cognos Incentive Compensation Management Single Tenant Premium on Cloud**

A dedicated physical database server instead of logically sharing a server with other parties' databases.

### **1.8 IBM Cognos Incentive Compensation Management Additional Production Instance on Cloud**

A production and non-production instance is provided by default, this is an additional production instance.

### **1.9 IBM Cognos Incentive Compensation Management Additional Non-Production Instance on Cloud**

The Cloud Service may be used as part of the Client's non-production activities, including but not limited to testing, performance tuning, fault diagnosis, benchmarking, staging, quality assurance activity and/or developing internally used additions or extensions to the Cloud Service using published application programming interfaces.

### **1.10 IBM Cognos Incentive Compensation Management Data History Premium on Cloud**

The Cloud Service will include up to seven years of data history, rather than the three years that are included with the base Cloud Service.

### **1.11 IBM Cognos Incentive Compensation Management Disaster Recovery Premium on Cloud**

IBM will provide the hardware, software and network infrastructure in IBM's data-center network, with a return to operation within 5 days.

## **2. Security**

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 its employees through its intranet site. IBM requires privacy and security education training (and where applicable certification) to individuals worldwide who support the Cloud Service. Policies and procedures are reviewed annually and base-lined with industry standards. Cloud Service security incidents are handled in accordance with IBM incident response procedures. The Cloud Service solution has personnel with formally assigned security roles and responsibilities.

### **2.2 Logical Access Control**

Access to the Cloud Service is restricted to authorized IBM Cloud administration personnel only. Cloud Service administrators use encrypted links and Virtual Private Network (VPN) to access the Cloud network. There is no usage of Wi-Fi within the Cloud Service solution. Network security solutions implemented include perimeter firewalls, intrusion prevention system, web application firewalls and anti-virus tools. Data is physically hosted in internal zones that do not have direct access to the public domain. Procedures to grant and terminate access have been implemented.

### **2.3 Service Integrity & Availability**

Formal procedures govern all changes to the Cloud Service. Changes are logged and authorized appropriately. The Cloud Service solution is monitored 24X7 by Cloud administrators for availability and performance. Internal and external vulnerability scanning is regularly conducted by authorized administrators and third party vendors to help detect and resolve potential system security exposures. Malware detection (antivirus, intrusion detection, vulnerability scanning, and intrusion prevention) systems have been implemented to prevent malicious access. Data transmission over public networks is via SSLv3/TLS/sFTP. Minimum 128 bit encryption is used.

### **2.4 Activity Logging**

For systems, applications, data repositories, middleware and network infrastructure devices, the Cloud Service team maintains logs of its activity. To minimize the possibility of tampering and to enable central

analysis, alerting and reporting, activity logging is done in real-time to central log repositories. Logs are reviewed daily for anomalous behavior and irregularities. The Cloud Service Operations staff is alerted to anomalies 24X7.

## 2.5 Physical Security

Data center physical security standards are designed to restrict unauthorized physical access to data center resources. Only limited access points exist into the data center which are controlled by access badge readers, biometrics, and mantraps, and are monitored by surveillance cameras. Employee and visitor badges are granted by the Operations staff upon verification of necessary access. Employees issued access badges must surrender other access badges and can only possess the data center access badge for the duration of their activity. Visitors are required to submit a government issued photo identification card before being allowed to enter the data center. Visitors are escorted during the entire duration of the visit while on data center premises.

## 2.6 Compliance

IBM performs the Industry standard audit SAS 70 Type II (SSAE 16) annually. Assessments and audits are conducted periodically by an internal compliance team to ensure compliance with its policies and procedures. IBM conducts workforce security education and awareness on an annual basis. During this time period, personnel are required to review and recommit to their responsibility as an IBM employee including meeting ethical business conduct, confidentiality, and security obligations.

## 3. Service Level Commitment

IBM provides the following service level commitment (“SLA”) for the Cloud Service offering specified in your Order Document:

### 3.1 Definitions

“**Authorized Contact**” – means the individual(s) you have specified to IBM who is authorized to submit Claims under this SLA.

“**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 your Authorized Contact to IBM pursuant to this SLA that a Service Level has not been met during a Contracted Month.

“**Client**” – means an entity subscribing for the Service directly from IBM which is not in default of any material obligations, including payment obligations, under its contract with IBM for the Service.

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

“**Downtime**” – means a period of time during which production system processing for the Service has stopped and all of your users 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. Downtime does not include the period of time when the Service is not available as a result of:

- Planned System Downtime.
- Force Majeure.
- Problems with Client or third party applications, equipment or data.
- Client or third party acts or omissions (including anyone gaining access to the Service by means of your passwords or equipment).
- Failure to adhere to required system configurations and supported platforms for accessing the Service.
- IBM’s compliance with any designs, specifications, or instructions provided by Client or a third party on Client’s behalf

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

**“Force Majeure”** – means acts of God, terrorism, labor action, fire, flood, earthquake, riot, war, governmental acts, orders or restrictions, viruses, denial of service attacks and other malicious conduct, utility and network connectivity failures, or any other cause of Service unavailability that was outside IBM’s reasonable control.

**“Planned System Downtime”** – means a scheduled outage of the Service for the purpose of service maintenance.

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

**“Service”** – means the Cloud Service offerings to which this SLA applies, named on the first page of this SLA. This SLA applies to each Service individually and not in combination.

### 3.2 Availability Credits

- a. In order to be eligible to submit a Claim you must have logged a support ticket for each Event with the IBM customer support help desk for the applicable Service, in accordance with IBM procedure for reporting Severity 1 support issues. You must provide all necessary detailed information about the Event, including the time you were first impacted by the Event, and reasonably assist IBM with the diagnosis and resolution of the Event to the extent required for Severity 1 support tickets. Such ticket must be logged within twenty-four (24) hours of your first becoming aware that the Event has impacted your use of the Service.
- b. Your Authorized Contact must submit your Claim for an Availability Credit no later than three (3) business days after the end of the Contracted Month which is the subject of the Claim.
- c. Your Authorized Contact must provide to IBM all reasonable details regarding the Claim, including but not limited to, detailed descriptions of all relevant Events and the Service Level claimed not to have been met.
- d. IBM will measure internally total combined Downtime during each Contracted Month. 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. For each valid Claim, IBM will apply the highest applicable Availability Credit corresponding to the total combined availability during each Contracted Month, based on the table below. IBM will not be liable for multiple Availability Credits for the same Event in the same Contracted Month.
- e. For Bundled Services (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.
- f. For Services purchased as part of an Enterprise Software and Services Option (ESSO), Software and Services Special Option (SSSO), or Open Infrastructure Offering (OIO) relationship, the Availability Credit will be calculated based on the then-current published Relationship Suggested Volume Price (RSVP) for the Service in effect for the Contracted Month which is the subject of the Claim. You will be eligible for one third (1/3) of the Availability Credit.
- g. The total Availability Credits awarded with respect to any Contracted Month shall not, under any circumstance, exceed 10 percent (10%) of one twelfth (1/12th) of the annual charge paid by you to IBM for the Service.
- h. IBM will use its reasonable judgment to validate Claims based on information available in IBM’s records, which will prevail in the event of a conflict with data in your records.

### 3.3 Service Levels

Availability of Service during a Contracted Month

Availability Percentage	Availability Credit (% of Monthly Subscription Fee for Contracted Month which is the subject of a Claim)
99% - 99.75%	2%
95% - 98.99%	5%
Less than 95.0%	10%

“Availability 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: 476 minutes total Downtime during Contracted Month

43,200 total minutes in a 30 day Contracted Month -- 476 minutes Downtime = 42,724 minutes <hr style="width: 50%; margin: 0 auto;"/> 43,200 total minutes in a 30 day Contracted Month	= 5% Availability Credit for 98.9% Availability during the Contracted Month
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### 3.4 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 production Services, so it does not apply to Non-production environments, including but not limited to test, disaster recovery, Q&A, 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.

## 4. Entitlements, Billing, Term and Support Information

### 4.1 Charge Metrics

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

- a. Access is the right to use the Cloud Service. Client must obtain a single Access entitlement in order to use the Cloud Service during the measurement period specified in your Order Document.
- b. Authorized User is a unit of measure by which the Cloud Service may be obtained. An Authorized User is a unique person who is given access to Cloud Service. You must obtain separate, dedicated entitlements for each Authorized User accessing the Cloud Service offering in any manner directly or indirectly (for example: via a multiplexing program, device, or application server) through any means during the measurement period specified in the Order Document. An entitlement for an Authorized User is unique to that Authorized User and may not be shared, nor may it be reassigned other than for the permanent transfer of the Authorized User entitlement to another person. For the purposes of the Cloud Service, you may provide access to users outside of its enterprise. Such users shall be deemed to be Authorized Users and be entitled appropriately.
- c. Eligible Participant is a unit of measure by which the Cloud Service can be obtained. Eligible Participant is an individual or entity eligible to participate in any service delivery program managed or tracked by the Cloud Service. Sufficient entitlements must be obtained to cover all Eligible Participants managed or tracked within the Cloud Service during the measurement period specified in your Proof of Entitlement (PoE).
- d. Instance is a unit of measure by which the Cloud Service can be obtained. An Instance is access to a specific configuration of the Cloud Service. Sufficient entitlements must be obtained for each Instance of the Cloud Service made available to access and use during the measurement period specified in the Order Document
- e. Record is the data that represent any physical or electronic document managed by the Cloud Service including but not limited to call detail records, invoices, plans, purchase orders, quotes,

receipts, returns, sales orders, schedules, and shipments. "Record Lines" are the line items within the Record processed using the Cloud Service.

## **4.2 Charges & Billing**

### **4.2.1 Billing Options**

The amount payable for this Cloud Service offering is specified in Order Document as follows:

- a. Entire commitment amount upfront
- b. Monthly (in arrears)
- c. Quarterly (upfront)
- d. Annually (upfront)

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

### **4.2.2 Partial Month Charges**

The Partial Month charge is a pro-rated daily rate that will be charged to you. 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 their access to the Cloud Service offering is available.

### **4.2.3 Overage Charges**

If your actual usage of the Cloud Service during the measurement period exceeds the entitlement stated on the POE portion of the Order Document, then you will be invoiced for the overage, as set forth in the Order Document.

### **4.2.4 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.

### **4.2.5 Set-up**

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

## **4.3 Term and Renewal Options**

### **4.3.1 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.

### **4.3.2 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.

#### 4.4 Technical Support

There are three channels to contact Customer Support. Any authorized user may contact Customer Support.

- E-mail: For logging a ticket via email, clients must use the interim Varicent/IBM address – [vsupport@ca.ibm.com](mailto:vsupport@ca.ibm.com).
- Enter a ticket in the Support Portal: Varicent Assist (Authentication required) - <http://support.varicent.com>
- Phone us: 1-877-465-5444

Please see the attached link for the technical support guide:

<http://www-1.ibm.com/software/analytics/varicent/customercenter/saas.html>.

The support team is available to provide support via the following channels:

Support Ticket or E-Mail: Anytime, tickets processed according to assigned severity levels. Severity levels between 2 to 4 will be handled during business hours.

Phone: Monday-Friday, 9am – 5pm local hours (excluding IBM company observed holidays)

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

Support is provided in English.

#### Response Time Goals and Response Time Objectives

Our response time objectives and the associated coverage and escalation are set out in the table below. IBM uses commercially reasonable efforts to meet the response time goals outlined below, however, IBM does not guaranty such goals will be met.

Severity Code	Severity Definition	Response Time Coverage and Objectives	Escalation Path / Resolution
Severity 1  Critical Business Impact/Service Down (Production Only)	<p>Complete inability to use the Cloud Service as defined by the documentation.</p> <p>Major functionality of the Cloud Service is not operating in Production.</p> <p>Production is halted and users have no access to the Cloud Service.</p> <p>Serious performance degradation that significantly impacts users of the Cloud Service Production system.</p> <p>Cloud Service consistently produces material errors in numerical calculations, not related to configuration of the application through delivered configuration tools.</p>	<p>24x7 service</p> <p>Within 2 hours</p>	<p>Immediate engagement of a Technical Support Analyst</p> <p>IBM technical support analysts are committed on a full-time basis to resolve problems for our clients and partners. The analysts will work directly with you and utilize support where applicable.</p> <p>Client and/or partner specialists are committed on a full-time basis to work with IBM support, providing all pertinent logs and model data necessary to pursue the investigation for root cause analysis. Emergency patch or release of Software to fix the reported problem once a reproducible scenario in test lab is produced and resolution achieved and tested.</p> <p>Where a workaround is applicable, we will propose the workaround as an option.</p>

Severity Code	Severity Definition	Response Time Coverage and Objectives	Escalation Path / Resolution
Severity 2  Significant Business Impact	<p>Major functionality of Cloud Service is not working as defined by the documentation.</p> <p>The product is usable but incomplete, causing disruptions to normal service and a significant business impact.</p> <p>Cloud Service performs some of its documented functionality, but there is a serious impact on the client's productivity or service levels.</p>	<p>Monday – Friday business hours</p> <p>Within 2 business hours</p>	<p>Engagement of a Technical Support Analyst.</p> <p>IBM technical support analysts working with you during local business hours to investigate and provide work around or resolution.</p> <p>Any fixes required will be scheduled for the next maintenance release.</p> <p>Further escalation to a developer, as required.</p>
Severity 3  Some Business Impact	<p>Issues that affect an isolated component of Cloud Service that does not affect the ability of Cloud Service to materially perform in accordance with the documentation.</p> <p>Cloud Service is usable, but does not perform all documented functions on all devices.</p> <p>Issues that have acceptable workarounds.</p> <p>Assist with Cloud Service migrations and upgrades.</p>	<p>Monday – Friday business hours</p> <p>Within 2 business hours</p>	<p>Engagement of a Technical Support Analyst.</p> <p>IBM technical support will investigate and provide a suggested work around or resolution. Any fixes required will be scheduled for the next maintenance release.</p>
Severity 4  Minimum Business Impact	<p>General inquiries on the use of Cloud Service.</p> <p>Minor errors, such as issues in layout and formatting, causing minimal impact to business.</p> <p>Cloud Service is usable with no loss of operational functionality, but needs clarification on the behavior, performance, or documentation.</p> <p>System configuration issues such as localization changes.</p> <p>Documentation issues.</p>	<p>Monday – Friday business hours</p> <p>Within 2 business hours</p>	<p>Engagement of a Technical Support Analyst.</p> <p>IBM Support will review any questions and provide, through email or via the ticketing system, an answer or direct the client to the information requested.</p>

A resolution may be any one of the following:

- a. An answer to the question (i.e. where a file is found, what Updates are available etc.);
- b. IBM has provided a viable permanent workaround to the problem; or
- c. IBM has provided a viable temporary workaround to the problem and agreed to further provide a solution to the problem acting reasonably.

An issue is deemed to be resolved when you have either: (i) responded verbally, via the support ticketing system, or in an email accepted the proffered resolution; or (ii) failed to respond to three emails or other communications from IBM explicitly requesting that you acknowledge the proffered resolution. In some cases, IBM will require certain information from you to diagnose a case, including screen shots or steps to reproduce and approvals to access your model/environment/instance and approvals as necessary to make changes. Failure to provide any requested information or the remote access may limit or prevent a resolution. In such cases, IBM will inform you that the case will be considered closed.



## **5. Safe Harbor**

IBM has not determined compliance of this Cloud Service with the US-EU and US-Swiss Safe Harbor Frameworks.

## **6. Enabling Software**

IBM Cognos Incentive Compensation Management on Cloud includes Citrix XenApp Java Client (“Citrix”) as enabling software, installed and executed on your premises. Citrix is used to deliver the Cloud Service via high-powered servers in the datacenter for online use on any device or operating system.

Citrix may only be used in conjunction with the Cloud Service, and only during the subscription term for the Cloud Service offering.

## **7. Additional Information**

### **7.1 No High Risk Use**

The following uses are prohibited by Microsoft:

No High Risk Use: Client may not use the Cloud Service in any application or situation where the Cloud Service failure could lead to death or serious bodily injury of any person, or to severe physical or environmental damage (“High Risk Use”). Examples of High Risk Use include, but are not limited to: aircraft or other modes of human mass transportation, nuclear or chemical facilities, life support systems, implantable medical equipment, motor vehicles, or weaponry systems. High Risk Use does not include utilization of Cloud Service for administrative purposes, to store configuration data, engineering and/or configuration tools, or other non-control applications, the failure of which would not result in death, personal injury, or severe physical or environmental damage. These noncontrolling applications may communicate with the applications that perform the control, but must not be directly or indirectly responsible for the control function.