

Service Description

IBM Incentive Compensation Management on Cloud

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

1.1 IBM 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. A "Production" instance provides full productive use of the offering in the Cloud environment. 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:

- 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.
- 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.
- 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 Incentive Compensation Management for Transaction Based Payees on Cloud

This option provides a Client with an entitlement for a single Transaction Based Payee to use the Cloud Service. A Transaction Based Payee is an Eligible Participant (as defined in the Charge 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 Incentive Compensation Management for Non-Transaction Based Payees on Cloud

This option provides a Client with an entitlement for a single Non-Transaction Based Payee to use the Cloud Service. 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 Incentive Compensation Management for Inactive Payees on Cloud

This option provides a Client with an entitlement for a single Inactive Payee in the Cloud Service. 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 Incentive Compensation Management for Administrative Users on Cloud

This option provides a Client with an entitlement for a single Administrative User to use the Cloud Service. An Administrative User is an individual who partakes in the creation and/or ongoing administration of incentive compensation plans.

1.6 IBM Incentive Compensation Management Data Volume on Cloud

A Client must obtain sufficient IBM Incentive Compensation Management Data Volume entitlements to cover the amount of Client data processed by the Cloud Service each month. IBM Incentive Compensation Management Data Volume entitlements are sold on a Million Record Lines metric, as defined in the Charge Metrics section of this document. Data volumes are monitored through the Cloud Service and may be subject to audit.

1.7 IBM Incentive Compensation Management Single Tenant Premium on Cloud

This option provides a Client with a dedicated physical database server instead of physically sharing a server with other parties' databases if entitled through a completed order.

1.8 IBM Incentive Compensation Management Additional Production Instance on Cloud

One (1) Production and one (1) Non-Production instance are provided with the initial order of payees. If entitled through a completed order, this option is an additional Production instance of the Cloud Service.

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

One (1) Production and one (1) Non-Production instance are provided with the initial order of payees. If entitled through a completed order, this is an additional non-production instance of the Cloud Service. This may be used only as part of the Client's non-production activities.

1.10 IBM Incentive Compensation Management Data History Premium on Cloud

If Client purchases the Data History Premium on Cloud option, 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 Incentive Compensation Management Disaster Recovery Premium on Cloud

If Client purchases the Disaster Recovery Premium on Cloud option, IBM will return the Cloud Service to operation within 5 days of a Force Majeure event (described in Section 1.1 above) causing a disruption to IBM's ability to operate the Cloud Service.

1.12 IBM Incentive Compensation Management Premium Performance on Cloud

This option provides a Client with increased performance for a single production, QA, or development instance of IBM Incentive Compensation Management on Cloud that the Client has already purchased. IBM provides this increased performance by delivering the Cloud Service using a PureData Systems Mako Ultralite (or similarly compatible) appliance that IBM optimizes to the Client's model.

1.13 IBM Incentive Compensation Management Premium Performance Plus on Cloud

This option provides a Client with increased performance for a single production, QA, or development instance of IBM Incentive Compensation Management on Cloud that the Client has already purchased. This option provides greater performance than the IBM Incentive Compensation Management Premium Performance on Cloud by delivering the Cloud Service using a PureData Systems Mako 6 (or similarly compatible) appliance that IBM optimizes to the Client's model.

1.14 IBM Incentive Compensation Management with Watson Analytics on Cloud

This Cloud Service option delivers a unified analytics experience on the cloud and helps users focus on the drivers that impact their business through the capabilities of IBM Watson Analytics. By automating the steps of data access and predictive analysis, the Cloud Service identifies and explains hidden patterns and relationships to accelerate understanding of why things happened. The IBM Watson Analytics functionality is only provided for use with data stored in the IBM SaaS offering.

This Cloud Service option includes the following capabilities:

- Engaging User Experience – presentation of data and insights in a format which allows users to understand and interact with their data
- Data Discovery – visually explore and interact with data to find patterns and derive insights
- Guided Analytic Discovery – embedded predictive analytics that automatically performs statistical correlations and key driver analysis

- Natural Language Dialogue – Interact with data through a keyword-driven English language interface using familiar business terms
- Data Access – automatically accesses and then uniquely scores the readiness of Client’s data for analysis, highlighting potential data issues that could compromise results
- Load .xls, xlsx or csv files containing no more than 10,000,000 rows and 500 columns
- Total storage of 100 GB where data storage includes source files loaded into the cloud environment and content created within the application
- Export to PPT file format
- Infographics
- Connections to: DropBox, Box, and Microsoft OneDrive

2. Security Description

This Cloud Service follows IBM’s data security and privacy principles for Cloud Service which are available at www.ibm.com (<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 principles will not degrade the security of the Cloud Service.

This Cloud Service is US-EU Safe Harbor certified.

3. Service Level Agreement

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

3.1 Availability Credits

Client must log a Severity 1 support ticket with the IBM technical support help desk within 24 hours of first becoming aware 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 four business days after the end of the contracted month. Compensation for a valid SLA claim will be a credit against a future invoice for the Cloud Service based on the duration of time during which production system processing for the Cloud Service is not available (“Downtime”). Downtime is measured from the time Client reports the event until the time the Cloud Service is restored and does not include time related to a scheduled or announced maintenance outage; causes beyond IBM’s control; problems with Client or third party content or technology, designs or instructions; unsupported system configurations and platforms or other Client errors; or Client-caused security incident or Client security testing. IBM will apply the highest applicable compensation based on the cumulative availability of the Cloud Service during each contracted month, as shown in the table below. The total compensation with respect to any contracted month cannot exceed 10 percent of one twelfth (1/12th) of the annual charge for the Cloud Service.

3.2 Service Levels

Availability of the Cloud Service during a contracted month

Availability during a contracted month	Compensation (% of monthly subscription fee* for contracted month that is the subject of a claim)
99% - 99.75%	2%
95% - 98.99%	5%
Less than 95.0%	10%

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

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

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/> 43,200 total minutes	= 5% Availability credit for 98.9% Availability during the contracted month
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4. Technical Support

During the subscription period, technical support is provided for the duration of the Cloud Service as set forth in the IBM SaaS Support Handbook at <http://www.ibm.com/software/support/handbook.html> or a subsequent URL provided by IBM. Technical support is included with the Cloud Service and is not available as a separate offering.

5. Entitlement and Billing Information

5.1 Charge Metrics

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

- a. Access is a unit of measure by which the Cloud Service may be obtained. An 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 Client's PoE or Transaction Document.
- b. Authorized User is a unit of measure by which the Cloud Service can be obtained. Client must obtain separate, dedicated entitlements for each unique Authorized User given access to the Cloud Service in any manner directly or indirectly (for example: via a multiplexing program, device, or application server) through any means. Sufficient entitlements must be obtained to cover the number of Authorized Users given access to the Cloud Service during the measurement period specified in Client's PoE or Transaction Document.
- c. Eligible Participant is a unit of measure by which the Cloud Service can be obtained. Each individual or entity eligible to participate in any service delivery program managed or tracked by the Cloud Service is an Eligible Participant. Sufficient entitlements must be obtained to cover all Eligible Participants managed or tracked within the Cloud Service during the measurement period specified in Client's PoE or Transaction Document.
- 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 Client's PoE or Transaction Document.
- e. Million Record Lines is a unit of measure by which the Cloud Service can be obtained. A 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. Each Million Record Line entitlement represents one Million Record Lines. Sufficient Million Record Line entitlements must be obtained to cover the total number of Record Lines processed by the Cloud Service during the measurement period specified in Client's PoE or Transaction Document.

5.2 Partial Month Charges

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

5.3 Overage Charges

If actual usage of the Cloud Service during the measurement period exceeds the entitlement specified in the PoE, Client will be charged for the overage as specified in the Transaction Document.

6. Term and Renewal Options

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

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

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

7. Additional Terms

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

7.1 Personal Information Processing

The Cloud Service will enable Client to input and manage content containing information which may be considered personal and sensitive personal information under applicable privacy laws:

- Contact information (e.g., address, phone and cell numbers, email)
- Sensitive personal information (e.g., government identification number, date of birth, citizenship, passport number, etc.)
- Employment information (e.g., education, job history, work location, compensation and benefits, job history, and performance)

The Cloud Service is not designed to any specific security requirements for regulated content, such as personal information or sensitive personal information. Client is responsible to determine if this Cloud Service meets Client's needs with regard to the type of content Client uses in connection with the Cloud Service.

7.2 Cookies

Client is aware and agrees that IBM may, as part of the normal operation and support of the Cloud Service, collect personal information from Client (your employees and contractors) related to the use of the Cloud Service, through tracking and other technologies. IBM does so to gather usage statistics and information about effectiveness of our Cloud Service for the purpose of improving user experience and/or tailoring interactions with Client. Client confirms that it will obtain or have obtained consent to allow IBM to process the collected personal information for the above purpose within IBM, other IBM companies and their subcontractors, wherever we and our subcontractors do business, in compliance with applicable law. IBM will comply with requests from Client's employees and contractors to access, update, correct or delete their collected personal information.

7.3 Destruction of Content

IBM will destroy Client's data or content upon the expiration or cancellation of the Cloud Service, or earlier upon Client's request.

7.4 Users Outside Client's Enterprise

For the purposes of the Cloud Service, Client may provide access to users outside of Client's Enterprise. Such users shall be deemed to be Cloud Service Users and be entitled appropriately. Client remains responsible for ensuring the compliance of these terms by the Cloud Service Users.

7.5 Non-Production Limitation

If the Cloud Service is designated as "Non-Production", the Cloud Service can only 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.

7.6 Compliance Management Programs

Cloud Service can be used to help Client meet compliance obligations, which may be based on laws, regulations, standards or practices. Any directions, suggested usage, or guidance provided by Cloud Service does not constitute legal, accounting, or other professional advice, and Client is cautioned to obtain its own legal or other expert counsel. Client is solely responsible for ensuring that Client and Client's activities, applications and systems comply with all applicable laws, regulations, standards and practices. Use of Cloud Service does not guarantee compliance with any law, regulation, standard or practice.

7.7 Third Party Site and Services

If Client or a Cloud Service User transmits content to a third party website or other service that is linked to or made accessible by the Cloud Service, Client and the Cloud Service User provide IBM with the

consent to enable any such transmission of content, but such interaction is solely between Client and the third party website or service. IBM makes no warranties or representations about such third party sites or services, and shall have no liability for such third party sites or services.

7.8 Prohibited Uses

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.