



## Service Description

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### IBM Emptoris Managed Cloud Delivery

The following is the Service Description for your Order:

#### 1. Cloud Service

The Cloud Service offering, is described below and is specified in an Order Document for the selected entitled offerings. The Order Document will consist of the Quotation that is provided and the Proof of Entitlement (PoE) you will receive confirming the start date and term of the Cloud Services and when invoicing will commence.

##### 1.1 IBM Emptoris Managed Cloud Delivery

The following Cloud Services are available as a managed cloud delivery offering:

- IBM Emptoris Contract Management for Commercial Banking Agreements Managed Cloud Delivery
- IBM Emptoris Contract Management Sell Side Managed Cloud Delivery
- IBM Emptoris Contract Management Buy Side Managed Cloud Delivery
- IBM Emptoris Contract Management for Commercial Banking Agreements Managed Cloud Delivery
- IBM Emptoris Services Procurement Managed Cloud Delivery
- IBM Emptoris Sourcing Managed Cloud Delivery
- IBM Emptoris Spend Analysis Managed Cloud Delivery
- IBM Emptoris Supplier Lifecycle Management Managed Cloud Delivery
- IBM Emptoris Program Management Managed Cloud Delivery
- IBM Emptoris Rivermine Telecom Expense Management Managed Cloud Delivery

You will receive Managed Cloud Delivery Services in connection with the operation and use of, and access to the software you have licensed, including production servers, production storage, and a connection between the production server(s) and the Internet. We may also provide an optional non-production application platform (as described below) if an additional instance is specified in your Order Document. We will integrate, set-up and configure the equipment necessary to provide the Managed Cloud Delivery Services for the licensed software described in your Order Document. Managed Cloud Delivery Services do not include data migration, which will be performed on a quoted time and materials basis, if and when requested. Further, IBM will provide and maintain all necessary hardware and software, telecommunications hardware and software, security software and other software that is reasonably necessary to operate and maintain the Managed Cloud Delivery Services. Authorized Users will be able to access the software at the internet uniform resource locator as published by using a computer equipped with an internet connection and a modern web browser, the specifications to be determined at the time the managed application is initiated.

A Non-production application is an application deployment distinct from the production application platform. The non-production application platform may be located at a different facility than the production application platform at our discretion. The non-production application platform is primarily intended for use as a platform for testing, staging, training or QA, at your discretion.

##### 1.2 Optional Features

###### 1.2.1 IBM Emptoris Sourcing on Cloud Burst Mode

The Cloud Service provides the capability to increase capacity needs higher than the standard server configuration by adding additional servers to the configuration.

###### 1.2.2 IBM Emptoris Rivermine Telecom Expense Management Managed Cloud Delivery Extended Data Retention

The Cloud Service provides you with the option to retain the data loaded (including EDI Invoices and paper images) for them by IBM for the initial thirty-six month Term ("Initial Term") of the SaaS. If this service is not purchased then IBM might only retain for one year and reserves the right to purge data from the system. The Cloud Service also provides you with the option to retain the data loaded (including EDI Invoices and paper images) for you by IBM, in the event you do not renew the IBM Emptoris Rivermine

Telecom Expense Management Managed Cloud Delivery Cloud Service. If you terminate the IBM Emptoris Rivermine Telecom Expense Management Managed Cloud Delivery Cloud Service at the end of the Initial Term, then you may elect to enter into an agreement with IBM to 1) transfer your invoice data back to you upon expiration of the Initial Term, or 2) retain your data in the IBM Rivermine TEMEDR SaaS which exists upon expiration of the Initial Term by purchasing IBM Emptoris Rivermine Telecom Expense Management Managed Cloud Delivery Extended Data Retention for up to seven (7) additional years.

### **1.2.3 IBM Emptoris Managed Cloud Edge Delivery Web Application Accelerator**

IBM Emptoris Edge Delivery Web Application Accelerator provides the following functionality:

- dynamic mapping system directs user requests for secure application content to an optimal server;
- route optimization technology identifies the optimal path back to the origin infrastructure to retrieve dynamic application content;
- a transport protocol transparently optimizes communications between the server and the point of origin;
- the server retrieves the requested application content and returns it to the user over secure optimized connections.

### **1.2.4 IBM Emptoris Managed Cloud Delivery Virtual Private Network Connection**

IBM Emptoris Virtual Private Network Connection on Cloud provides an encrypted site to site connection between your network end point and Emptoris SaaS Hosting end point. All traffic flowing between these two devices is encrypted in a secure manner. Data is encrypted from the sending end and decrypted at the receiving end using industry standard encryption keys and methods.

### **1.2.5 IBM Emptoris Strategic Supply Management Managed Cloud Delivery Encrypted Database**

IBM Emptoris Strategic Supply Management Managed Cloud Delivery Encrypted Database on Cloud provides encryption of your data stored in a dedicated database instance using an encryption key for the following Cloud Service if they are specified on your Order Document:

- IBM Emptoris Contract Management Sell Side Managed Cloud Delivery
- IBM Emptoris Contract Management Buy Side Managed Cloud Delivery
- IBM Emptoris Services Procurement Managed Cloud Delivery
- IBM Emptoris Sourcing Managed Cloud Delivery

Encryption keys are keys that are stored in a key safe and each database instance requires dedicated unique keys. No keys are shared even though the database instances are contained on shared hardware. IBM Emptoris Contract Management Buy Side on Cloud, IBM Emptoris Contract Management Sell Side on Cloud, and IBM Emptoris Contract Management for Commercial Banking Agreements on Cloud do not store attachments in the database and therefore attachment data is not encrypted.

## **2. Security Description**

### **2.1 Security Policies**

IBM maintains privacy and security policies that are communicated to IBM employees. IBM requires privacy and security training to personnel who support IBM data centers. We have an information security team. 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**

Access to client data, if required, is allowed only by authorized IBM support representatives according to principles of segregation of duties. IBM staff use two-factor authentication to an intermediate "gateway" management host. All connections are encrypted channels when accessing client data. All access to client data and transfer of data into or out of the hosting environment is logged. WIFI use is prohibited within the IBM data centers that support this Cloud Service.

### **2.3 Service Integrity and Availability**

Modifications to operating systems and application software are governed by IBM's change management process. Changes to firewall rules are also governed by the change management process and are reviewed by the IBM security staff before implementation. IBM monitors the data center 24x7. 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 are used in all IBM data centers. IBM's data center services support a variety of information delivery protocols for transmission of data over public networks. Examples include HTTPS/SFTP/FTPS/S/MIME and site-to-site VPN. Backup data intended for off-site storage is encrypted prior to transport.

## **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. 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. Data is signed to prevent tampering. Logs are analyzed in real-time and via periodic analysis reports to detect anomalous behavior. Operations staff is alerted to anomalies and contacts a 24x7 on-call security specialist when needed.

## **2.5 Physical Security**

IBM maintains physical security standards designed to restrict unauthorized physical access to IBM data centers. Only limited access points exist into the data centers, which are controlled by two-factor authentication and monitored by surveillance cameras. Access is allowed only to authorized staff that have approved access. Operations staff verifies the approval and issues an access badge granting the necessary access. Employees issued such badges must surrender other access badges and can only possess the data center access badge for the duration of their activity. Usage of badges is logged. Non-IBM visitors are registered upon entering on premises and are escorted when they are on the premises. Delivery areas and loading docks and other points where unauthorized persons may enter the premises are controlled and isolated.

## **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. IBM contracts a third party to perform industry standard SSAE 16 audits (or their equivalent) annually in 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. IBM employees and vendor employees complete workforce security and awareness training annually. Personnel are reminded of their job objectives and their responsibility to meet ethical business conduct, confidentiality, and IBM's security obligations annually.

## **3. Service Level Commitment**

IBM provides the following availability service level agreement ("SLA") for the Cloud Service as specified on your Order Document. You understand that the SLA does not constitute a warranty to you.

### **3.1 Definitions**

- a. "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 Cloud Service.
- b. "Claim" means a claim you submit to IBM pursuant to the SLA that a Service Level has not been met during a Contracted Month.
- c. "Contracted Month" means each full month during the term 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.
- d. "Downtime" means a period of time during which production system processing for the Cloud Service has stopped and your users are unable to use all aspects of the Cloud Service for which they have permissions. Downtime does not include the period of time when the Cloud Service is not available because of:
  - (1) a scheduled or announced maintenance outage;
  - (2) Events or causes beyond IBM's control (e.g., natural disaster, internet outages, emergency maintenance, etc.);
  - (3) problems with your applications, equipment or data, or a third party's applications, equipment or data;

- (4) your failure to adhere to required system configurations and supported platforms for accessing the Cloud Service; or
  - (5) IBM's compliance with any designs, specifications, or instructions that you provide to IBM or a third party provides to IBM on your behalf.
  - (6) a failure of a client provided internet uniform resource locator or certificates.
- e. "Event" means a circumstance or set of circumstances taken together, resulting in a failure to meet a Service Level.
  - f. "Service Level" means the standard set forth below by which IBM measures the level of service it provides in this SLA.

### 3.2 Availability Credits

- a. 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 Cloud Service. You must provide all necessary 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 in which the Claim arose.
- c. Availability Credits are 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 based on the achieved Service Level during each Contracted Month, as shown in the table below. IBM will not be liable for multiple Availability Credits for the same Event in the same Contracted Month.
- d. The total Availability Credits awarded with respect to any Contracted Month shall not, under any circumstance, exceed 10 percent (10%) of one twelfth (1/12<sup>th</sup>) of the annual charge paid by you to IBM for the Cloud Service.
- e. Availability Credits are based only on the cost of the specific Cloud Service and do not include the cost of other Cloud Services, software license and support fees, lab services implementation, annual support costs, or upgrade fees as these are not part of the cost of the Cloud Service.

### 3.3 Service Levels

Availability of the Cloud Service during a Contracted Month

Availability during a Contracted Month	Availability Credit (% of Monthly Subscription Fee for Contracted Month that is the subject of a Claim)
<99.0%	2%
<97.0%	5%
<95.0%	10%

Availability, expressed as a 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.

Example: 500 minutes total Downtime during Contracted Month

43,200 total minutes in a 30 day Contracted Month - 500 minutes Downtime -200 minutes of Planned System Downtime = 42,500 minutes	= 2% Availability Credit for
<hr/> 43,200 total minutes -200 minutes of Planned System Downtime =43,000 minutes	98.8% Achieved Service Level

### **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, participants and permitted invitees of the Cloud Service or to any beta or trial services that IBM provides. The SLA only applies to the Cloud Services that are in production use. It does not apply to non-production environments. The SLA does not apply if you have exceeded the number of Concurrent Users for which the system has been configured as defined in Section 7.9 below. If you have breached any material obligations under your contract for the Cloud Service, including without limitation, breach of any payment obligations, you may not make a Claim under this SLA.

## **4. Entitlement and Billing Information**

### **4.1 Charge Metrics**

The Cloud Services are made available under one of the following charge metrics as specified in the Order Document:

- a. Connection is a unit of measure by which the Cloud Service can be obtained. A Connection is a link or association of a database, application, server, or any other type of device to the Cloud Service. Sufficient entitlements must be obtained to cover the total number of Connections which have been or are made to the Cloud Service during the measurement period specified in Client's Proof of Entitlement (PoE) or Transaction Document.
- b. 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 Proof of Entitlement (PoE) or Transaction Document.

### **4.2 Charges and Billing**

The amount payable for the Cloud Service is specified in an Order Document.

### **4.3 Set-Up Charges**

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

### **4.4 Partial Month Charges**

The partial month charge is a pro-rated daily rate. 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.

## **5. Term and Renewal Options**

### **5.1 Term**

The term of the Cloud Service begins on the date that IBM notifies you that you have access to the Cloud Service, as 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. You are permitted to increase your level of use of the Cloud Service during the term by contacting IBM or your IBM Business Partner. We will confirm the increased level of usage in the Order Document.

### **5.2 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:

#### **5.2.1 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 your 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.

#### **5.2.2 Continuous Billing**

When the Order Document states that your billing is continuous, you will continue to have access to the Cloud Service following the end of your term and will be billed for the usage of the Cloud Service on a continuous basis. To discontinue use of the Cloud Service and stop the continuous billing process, you must provide IBM or your 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.

### 5.2.3 Renewal Required

When the Order Document states 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 must place an order with your IBM sales representative or IBM Business Partner to purchase a new subscription term.

## 6. Technical Support

After IBM notifies you that access to the Cloud Service is available, technical support for the Cloud Service is provided via telephone, email, online forums, and an online problem reporting system. Any enhancements, updates, and other materials provided by IBM as part of any such technical support are considered to be part of the Cloud Service and are governed by this Service Description. Technical support is included with the Cloud Service and is not available as a separate offering.

More information about hours of availability, email addresses, telephone numbers, online problem reporting systems, and other technical support communication vehicles and processes are described in the IBM Software as a Service Support Handbook.

The following severities are used to track support tickets for the Cloud Service:

Severity	Severity Definition
1	<p><b>Critical business impact/service down issues include</b></p> <ul style="list-style-type: none"> <li>● Unable to use the product or reasonably continue work using the product in a production environment</li> <li>● Product security has been breached</li> <li>● Data corruption is occurring</li> <li>● Supplier and buyer unable to place bids (via UI and via import)</li> <li>● All users are unable to create contracts, open contract language, approve contracts and execute contracts</li> <li>● Customer’s AP/GL feed does not produce a file or expected result which impacts their ability to pay invoices without a workaround.</li> </ul>
2	<p><b>Significant business impact issues include:</b></p> <ul style="list-style-type: none"> <li>● Critical product components not working properly.</li> <li>● Behavior has created a significant negative impact on productivity</li> <li>● Users not receiving event invitations</li> <li>● Contracts Approval Workflows and Rules function Incorrectly</li> <li>● Orders not being transmitted successfully to vendors</li> <li>● Invoice reader not operational</li> <li>● Invoice approval workflow not functioning as designed</li> <li>● Invoices are not allocating as designed</li> </ul>
3	<p><b>Minor business impact issues include:</b></p> <ul style="list-style-type: none"> <li>● Product components not working properly although an alternative solution is available</li> <li>● A non-essential feature is unavailable with no alternative solution</li> <li>● Unable to attach document to items in event</li> <li>● Notification Template Formatting Incorrect</li> <li>● Non-critical software features are producing unexpected results.</li> </ul>
4	<p><b>Minimal business impact issues include:</b></p> <ul style="list-style-type: none"> <li>● Product information request</li> <li>● Product documentation clarification</li> <li>● How to export an event</li> <li>● How to Schedule a Reporting Job</li> </ul>

## 7. Additional Information

### 7.1 Derived Benefit Locations

Where applicable, taxes are based upon the location(s) you identify as receiving benefit of the Cloud Services. IBM will apply taxes based upon the business address listed when ordering a Cloud Service as the primary benefit location unless you provide additional information to IBM. You are responsible for keeping such information current and providing any changes to IBM.

## **7.2 No Personal Health Information**

The Cloud Service is not designed to comply with HIPAA and may not be used for the transmission or storage of any Personal Health Information

## **7.3 Data Collection**

You are aware and agree that IBM may, as part of the normal operation and support of the Cloud Service, collect personal information from you (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 you. You confirm that you 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 your employees and contractors to access, update, correct or delete their collected personal information.

## **7.4 Guest Users**

You may authorize your trading partners or other third parties to access the Cloud Service to exchange data with you, or to use the Cloud Service on behalf of you ("Guest User"). Guest Users are your responsibility, including but not limited to a) any claims made by the Guest Users relating to the Cloud Service; b) charges incurred by the Guest User; or c) any misuses of the Cloud Service by these Guest Users.

## **7.5 Associated IBM Programs**

The IBM Emptoris Managed Cloud Delivery services do not include subscription and support for the associated IBM program. You represent that you have acquired the applicable (1) license entitlements and (2) subscription and support for the IBM program. During the subscription period of the Cloud Service, to receive subscription and support for the IBM programs, you will need to maintain current subscription and support for the IBM programs. During the term of this agreement each Instance of the Cloud Service specified in the Order Document may only use supported versions of IBM Programs as defined by the IBM Support Lifecycle document as having standard support currently available.

## **7.6 Return of Content**

Before the termination of the Cloud Service you can use any of the reporting or export features of the Cloud Service to extract data. Upon receiving a request from you within 30 days of the termination of the Cloud Service IBM will provide an electronic copy of your content in the native application format.

## **7.7 Downtime**

The planned maintenance downtime window for the Cloud Service is Saturday 4pm GMT - 4am GMT. During this time the Cloud Service might or might not be available based on the type of maintenance planned. Downtime during this window is not included in any SLA credit calculations. IBM reserves the right to have unscheduled downtime for emergency purposes. IBM will make every effort to communicate planned downtime to you in a timely manner via a Customer Service Advisory.

## **7.8 Client Provided Certificates**

The Cloud Service will be configured to use an IBM provided internet uniform resource unless you request specifically to use your own internet uniform resource locator. If you choose to use your own internet uniform resource locator for the Cloud Service then you will bear all responsibility, maintenance and costs for the renewal of the uniform resource locator and any required certificates. You must deliver the required certificates and setup information to IBM before the provisioning of your Cloud Service is completed.

## **7.9 Disaster Recovery**

All functions critical to the operation of the Cloud Service have and will have throughout the term of this Disaster Recovery (DR) plans. These formal plans are documented and annually (at least) revalidated.

IBM Disaster Recovery provides you recovery capabilities to a disaster recovery facility for your Production Instance. IBM will perform Disaster Recovery using commercially reasonable efforts to restore your Service with a Recovery Time Objective of 72 hours and with a Recovery Point Objective of 24 hours for Production Instances.

## **7.10 Backup Retention**

IBM will retain a backup copy of your data for a maximum period of 90 days. Backups are maintained by IBM only for Disaster Recovery or other efforts to restore the Service and are not intended to be used to recover data deleted from the Cloud Service by you. You are responsible for configuring the Cloud Service security to prohibit individual users from deleting data and once the data you acknowledge and agree IBM cannot recover the deleted data.

## **7.11 Restrictions for IBM Sourcing Managed Cloud Delivery**

The infrastructure for IBM Emptoris Sourcing Managed Cloud Delivery offering has been configured to support:

- 300 Concurrent Users running RFP, RFI, RFQ or buyer survey events or
- 270 Concurrent Users running English reverse and English forward auctions or
- 60 Concurrent Users running Japanese or Dutch reverse or forward auctions.

Concurrent Users are defined as users who are logged onto and active in the system concurrently. The system may be configured to process additional volume of Concurrent Users depending upon various factors. Additional infrastructure resources may be required to support larger usage volumes.

If Client utilizes the Official Journal of the European Union (OJEU) feature where the sourcing system transmits data to the Tenders Electronic Daily (TED) site, the Client is responsible for applying to the OJUE and passing the GAMMA testing. The data transmission is solely between the Client and this third party site. 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.