

## Service Description

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### IBM Emptoris Managed Cloud Delivery

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 Managed Cloud Delivery

The following Cloud Services are offered as described below:

- 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 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

Client will receive IBM Emptoris Managed Cloud Delivery services in connection with the operation and use of, and access to the IBM associated program Client has licensed, including production servers, production storage, and a connection between the production server(s) and the Internet. IBM may also provide an optional non-production environment platform (as described below) if an additional Instance is specified in Client's Transaction Document. IBM will integrate, set-up and configure the equipment necessary to provide the IBM Emptoris Managed Cloud Delivery for the licensed IBM associated program. IBM Emptoris Managed Cloud Delivery services do not include data migration, which will be performed on a quoted time and materials basis, if and when requested. IBM will provide and maintain necessary hardware and software, telecommunications hardware and software, security software and other software that is reasonably necessary to operate and maintain the Cloud Service. Authorized Users will be able to access the IBM associated program 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 environment is an application deployment distinct from the production application platform. The non-production environment platform may be located at a different facility than the production application platform at our discretion. The non-production environment platform is primarily intended for use as a platform for testing, staging, training or quality assurance, at Client's discretion.

The Cloud Service will enable Client to input and manage content containing information which may be considered personal information (PI) under applicable privacy laws including contact information (name, address, email, phone number, staff ID, cost center) and technical identifiers (username, password, IP addresses, MAC addresses). IBM will comply with requests from Client, its employees, or Guest Users to access, update, correct or delete such personal information.

This Cloud Service is not designed to any specific security requirements for sensitive personal information, protected health information, or other regulated content. 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. Under no circumstances may Client use this Cloud Service to collect, process or store protected health information.

##### 1.1.1 Associated IBM Programs

The IBM Emptoris Managed Cloud Delivery services do not include "Subscription and Support" for the associated IBM program. Client represents that Client has acquired the applicable license entitlements and Subscription and Support for the IBM program. During the subscription period of the Cloud Service, to receive Subscription and Support for the IBM programs, Client 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 Transaction Document may only use supported versions of IBM programs as defined by the IBM Support Lifecycle document as having standard support currently available.

Associated IBM Program	Cloud Service
IBM Emptoris Contract Management for Commercial Banking Agreements	IBM Emptoris Contract Management for Commercial Banking Agreements Managed Cloud Delivery
IBM Emptoris Contract Management Sell Side	IBM Emptoris Contract Management Sell Side Managed Cloud Delivery
IBM Emptoris Contract Management Buy Side	IBM Emptoris Contract Management Buy Side Managed Cloud Delivery
IBM Emptoris Contract Management	IBM Emptoris Contract Management Managed Cloud Delivery
IBM Emptoris Services Procurement	IBM Emptoris Services Procurement Managed Cloud Delivery
IBM Emptoris Sourcing	IBM Emptoris Sourcing Managed Cloud Delivery
IBM Emptoris Spend Analysis	IBM Emptoris Spend Analysis Managed Cloud Delivery
IBM Emptoris Supplier Lifecycle Management	IBM Emptoris Supplier Lifecycle Management Managed Cloud Delivery
IBM Emptoris Program Management	IBM Emptoris Program Management Managed Cloud Delivery

## 1.2 Optional Services

### 1.2.1 IBM Emptoris Sourcing Managed Cloud Delivery 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 Managed Cloud Edge Delivery Web Application Accelerator

IBM Emptoris Managed Cloud 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; and
- the server retrieves the requested application content and returns it to the user over secure optimized connections.

### 1.2.3 IBM Emptoris Managed Cloud Delivery Virtual Private Network Connection

IBM Emptoris Managed Cloud Delivery Virtual Private Network Connection on Cloud provides an encrypted site to site connection between Client's network end point and IBM Emptoris Cloud Service 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. An additional subscription is required if a virtual private network connection is required for non-production Instances.

### 1.2.4 IBM Emptoris Managed Cloud Delivery Reporting Add-On

IBM Emptoris Managed Cloud Delivery Reporting Add-On provides the necessary infrastructure to install IBM Cognos for use with IBM Emptoris Program Management Managed Cloud Delivery, IBM Emptoris Spend Analysis Managed Cloud Delivery, IBM Emptoris Sourcing Managed Cloud Delivery, and IBM Emptoris Supplier Lifecycle Management Managed Cloud Delivery. This offering is not required when the Client has purchased IBM Emptoris Contract Management Managed Cloud Delivery, IBM Emptoris Contract Management Buy Side Managed Cloud Delivery, IBM Emptoris Contract Management Sell Side Managed Cloud Delivery, IBM Emptoris Contract Management for Commercial Banking Agreements Managed Cloud Delivery or IBM Emptoris Services Procurement Managed Cloud Delivery.

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

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

- IBM Emptoris Contract Management 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 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 Managed Cloud Delivery, IBM Emptoris Contract Management Buy Side Managed Cloud Delivery, IBM Emptoris Contract Management Sell Side Managed Cloud Delivery, and IBM Emptoris Contract Management for Commercial Banking Agreements Managed Cloud Delivery do not store attachments in the database and therefore attachment data is not encrypted.

Client must purchase an Instance of IBM Emptoris Strategic Supply Management Managed Cloud Delivery Encrypted Database for each production and non-production Instance for which Client wants its data encrypted.

## 2. Security Description

This Cloud Service follows IBM's data security and privacy principles for IBM SaaS which are available at [www.ibm.com/cloud/data-security](http://www.ibm.com/cloud/data-security) and any additional terms provided in this section. Any change to IBM's data security policies will not degrade the security of the Cloud Service.

This Cloud Service is not designed to any specific security requirements for sensitive personal information, protected health information, or other regulated content. Client is responsible to determine if this Cloud Service meets Clients needs with regard to the type of content Client uses in connection with the Cloud Service. Under no circumstances may Client use this Cloud Service to collect, process or store protected health information

The Cloud Service does encrypt content during data transmission between the IBM network and the network access point or end user machine. The Cloud Service does encrypt content when at rest awaiting data transmission if the Client is using version 10.1.1 or higher of the Cloud Service or has purchased the IBM Emptoris Strategic Supply Management Managed Cloud Delivery Encrypted Database Cloud Service; otherwise, Client is responsible to encrypt content prior to adding to 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

A support ticket claim for failure to meet an SLA must be submitted within thirty business days after the event that has impacted the Cloud Service. 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.

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

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)
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<99.0	2%
<97.0	5%
<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%.

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: 500 minutes total Downtime during contracted month

43,200 total minutes in a 30 day contracted month – 500 minutes Downtime = 42,700 minutes	= 2% Availability credit for 98.8% availability during the contracted month
<hr style="width: 50%; margin: 0 auto;"/> 43,200 total minutes	

#### 4. 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	Response Time Coverage
1	Critical business impact/service down: Business critical functionality is inoperable or critical interface has failed. This usually applies to a production environment and indicates an inability to access services resulting in a critical impact on operations. This condition requires an immediate solution. Note: We will work with you 24X7 to resolve critical problems providing you have a technical resource available to work during those hours.	Within 1 hour	24X7
2	Significant business impact: A service business feature or function of the service is severely restricted in its use or you are in jeopardy of missing business deadlines.	Within 2 business hours	M-F business hours
3	Minor business impact: Indicates the service or functionality is usable and it is not a critical impact on operations.	Within 4 business hours	M-F business hours
4	Minimal business impact: An inquiry or non-technical request	Within 1 business day	M-F business hours

#### 5. Entitlement and Billing Information

##### 5.1 Charge Metrics

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

- a. **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 Transaction Document.

- b. **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 PoE or Transaction Document.

## 5.2 Partial Month Charges

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

## 5.3 Verification

Client will i) maintain, and provide upon request, records, system tools output, and access to Client's premises, as reasonably necessary for IBM and its independent auditor to verify Client's compliance with the Agreement, and ii) promptly order and pay for required entitlements at IBM's then current rates and for other charges and liabilities determined as a result of such verification, as IBM specifies in an invoice. These compliance verification obligations remain in effect during the term of the Cloud Service and for two years thereafter.

## 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 General

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

### 7.2 Data

IBM may, as part of the normal operation and support of the Cloud Service, collect personal information from Client (Client's 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 or tailoring interactions with Client. Client confirms that Client 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 Backup

Backups are performed daily for production Instances and weekly for non-production Instances. IBM will retain a backup copy of Client's data for a maximum period of 90 days for production Instances and up to seven days for non-production Instances. Client is responsible for configuring the Cloud Service security to prohibit individual users from deleting data, and once the data is deleted Client acknowledges and agrees IBM is not obligated to recover the deleted data and, if available, may charge for such effort.

### 7.4 Cloud Service Expiration

Before the termination of the Cloud Service Client can use any of the provided reporting or export features of the Cloud Service to extract data. Custom data extraction services are available under a separate agreement. Upon receiving a request from Client within 30 days of the termination of the Cloud Service IBM will destroy or return to Client an electronic copy of Client's content in the native application format. Certification of destruction of the content or a request for a copy of the content can be requested by contacting Technical Support.

## **7.5 Cloud Service Upgrades**

IBM will install and configure software upgrades to the production or non-production Instances at a mutually agreed time, subject to scheduling availability.

IBM will provide notice 12 months prior to the termination of support for the version of the associated IBM program for the Cloud Service. IBM will work with Client to migrate each of Client's Instances of the Cloud Service to a supported version of the associated IBM programs prior to the termination of support date. Client will be responsible for the migration costs. If the migration to a supported version of the associated IBM program is not completed within the notice period, other than as a result delays caused solely by IBM or its subcontractors, IBM may terminate this agreement upon 30 days written notice.

## **7.6 Database Refreshes**

IBM will replicate production database contents to Client's non-production Instance once per quarter, for each non-production system purchased. Refresh services will be performed at a mutually agreed time, subject to scheduling availability.

## **7.7 Client Provided Certificates**

The Cloud Service will be configured to use an IBM provided internet uniform resource unless Client requests specifically to use its own internet uniform resource locator. If Client chooses to use its own internet uniform resource locator for the Cloud Service then Client will bear all responsibility, maintenance and costs for the renewal of the uniform resource locator and any required certificates. Client must deliver the required certificates and setup information to IBM before the provisioning of Client's Cloud Service is completed.

## **7.8 Disaster Recovery**

To the extent Client is running on a current, supported version of the Cloud Service, if Client has purchased at least one non-production environment, in the event of a major system disruption caused by a natural disaster (e.g. fire, earthquake, flood, etc.), disaster recovery will be accomplished by using commercially reasonable efforts to restore Client's production data to one of Client's non-production environments with a recovery objective of 72 hours. This is not a warranty and no service level agreement is available.

## **7.9 Restrictions for IBM Sourcing Managed Cloud Delivery and Emptoris Sourcing Managed Cloud Delivery Burst Mode**

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.