



## Service Description

---

### IBM Emptoris Contract 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

IBM Emptoris Contract Management on Cloud provides a repository where Client can store Client's executed contract documents.

##### 1.1 Cloud Service Features

Based on the Transaction Document Client will receive the features as further described below. The Base Features allow Client to:

- Upload contracts and the product will then associate the contract with appropriate meta-data (i.e. terms)
- Search and report on data to find the contracts of interest as needed.
- Receive alerts for upcoming events such as contract expirations so that the appropriate action can be taken

The Advanced Features allow Client to:

- Negotiate contracts
- Track obligations on the contract post execution
- Amend executed contracts
- Utilize contract templates and clause templates to ensure standards are being adhered to
- Use a Self-service Wizard to provide an easy way to guide novice users to create contracts
- Capture and collaborate on more complex attributes of a contract. For example, line definitions are available to track tabular information in a contract
- Manage contract approvals and ad-hoc review are available for effective collaboration
- Integrate with other systems using web services.

##### 1.2 IBM Emptoris Contract Management on Cloud

IBM Emptoris Contract Management on Cloud allows Client to manage contracts associated with:

- Sales contracts with clients
- Procurement contracts such as procurement of goods, services, rental and lease agreements.
- NDAs with any party can also be managed

With the Cloud Service Client can use all of the Base Features and Advanced Features.

##### 1.3 IBM Emptoris Contract Management Buy Side Premium on Cloud

IBM Emptoris Contract Management Buy Side Premium on Cloud allows Client to manage contracts associated with procurement, such as procurement of goods, services, rental and lease agreements. Associated contracts that support the procurement function such as NDAs can also be managed. With the Cloud Service Client can use all of the Base Features and Advanced Features.

##### 1.4 IBM Emptoris Contract Management Sell Side Premium on Cloud

IBM Emptoris Contract Management Sell Side Premium on Cloud allows Client to manage contracts associated with selling to a client, such as sales contracts and NDAs with clients. With the Cloud Service Client can use all of the Base and Advanced Features.

##### 1.5 IBM Emptoris Contract Management Buy Side on Cloud

IBM Emptoris Contract Management Buy Side on Cloud allows Client to manage contracts associated with procurement, such as procurement of goods, services, rental and lease agreements. Associated contracts that support the procurement function such as NDAs can also be managed. With the Cloud Service Client can use all of the Base Features.

## **1.6 IBM Emptoris Contract Management Sell Side on Cloud**

IBM Emptoris Contract Management Sell Side on Cloud allows Client to manage contracts associated with selling to a client, such as sales contracts and NDAs with clients. With the Cloud Service Client can use all of the Base Features.

## **1.7 IBM Emptoris Contract Management For Commercial Banking Agreements on Cloud**

IBM Emptoris Contract Management for Commercial Banking Agreements on Cloud allows Client to manage contracts and other documents associated with commercial or wholesale banking agreements. With the Cloud Service Client can use all of the Base Features and Advanced Features.

## **1.8 Optional Features**

### **1.8.1 Read Only Offerings**

Included in this category are the following offerings:

- IBM Emptoris Contract Management on Cloud Read Only,
- IBM Emptoris Contract Management Buy Side on Cloud Read Only
- IBM Emptoris Contract Management Sell Side on Cloud Read Only
- IBM Emptoris Contract Management For Commercial Banking Agreements on Cloud Read Only

Read Only users are permitted to access and search repositories, view reports, participate in workflows as approvers or routers, receive and respond to evaluations, receive and update status of an assigned task, and receive risk alerts. Read Only users can also create contracts via the wizard functionality (such as when the wizard is initiated from external applications like Salesforce.com).

### **1.8.2 IBM Emptoris Contract Management Sell Side on Cloud Advanced Add-On**

This option allows Client to use all of the Advanced Features with the IBM Emptoris Contract Management Sell Side on Cloud Instance. Client must have an existing IBM Emptoris Contract Management Sell Side on Cloud subscription to purchase this option.

### **1.8.3 IBM Emptoris Contract Management Buy Side on Cloud Advanced Add-On**

This option allows Client to use all of the Advanced Features with the IBM Emptoris Contract Management Buy Side on Cloud Instance. Client must have an existing IBM Emptoris Contract Management Buy Side on Cloud subscription to purchase this option.

### **1.8.4 Non-Production Environment Offerings**

Included in this category are the following offerings:

- IBM Emptoris Contract Management on Cloud for Non-Production Environment
- IBM Emptoris Contract Management Buy Side on Cloud for Non-Production Environment
- IBM Emptoris Contract Management Sell Side on Cloud for Non-Production Environment
- IBM Emptoris Contract Management for Commercial Banking Agreements on Cloud for Non-Production Environment

These offerings can be used as part of 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 offering using published application programming interfaces. A separate Non-Production Environment must be purchased for each production Instance purchased if Client requires non-production activities for a specific type of contract.

## **2. Security Description**

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

This Cloud Service is US-EU Safe Harbor certified. The Cloud Service does not encrypt content during data transmission between the IBM network and the network access point or end user machine. The Cloud Service does not encrypt content when at rest awaiting data transmission. 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

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 three 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.

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)
<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

Technical support for the Cloud Service is provided via telephone, email, online forums, and an online problem reporting system. 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
1	Critical business impact/service down issues include <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> </ul>
2	Significant business impact issues include: <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> </ul>
3	Minor business impact issues include: <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	Minimal business impact issues include: <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>

## 5. Entitlement and Billing Information

### 5.1 Charge Metrics

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

- a. 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. Client 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.
- 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 the Order Document.

### 5.2 Partial Month Charges

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

## 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. Enabling Software**

This Cloud Service includes enabling software, which may be used only in connection with Client's use of the Cloud Service and only for the Cloud Service term.

## **8. Additional Information**

### **8.1 No Personal Health Information**

The Cloud Service is not intended for the storage or receipt of any health information, including without limitation individually identifiable health information as defined under the Health Information Portability and Accountability Act of 1996, as amended. Client will be responsible for all costs IBM may incur relating to any such information made available by Client to the Cloud Service, including those arising out of any third party claims.

### **8.2 Data**

#### **8.2.1 Collection**

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 (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 and/or tailoring interactions with Client. Client confirms they 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.

#### **8.2.2 Processing**

For transactions performed in all EU Member States, Iceland, Liechtenstein, Norway and Switzerland, the following terms apply:

Client agrees that IBM may process content including any personal data (as that term is defined in the EU Directive 95/46/EC) across a country border to the following countries: Australia, Belarus, Canada, France, Germany, India, Ireland, Netherlands, the United Kingdom and the United States. Client agrees that IBM may, on notice, vary this list of country locations when it reasonably determines it necessary for the provision of the Cloud Service.

When IBM's US-EU and US-Swiss Safe Harbor Frameworks do not apply to a transfer of European Economic Area or Swiss personal data, the parties or their relevant affiliates may enter into separate standard unmodified EU Model Clause agreements in their corresponding roles pursuant to EC Decision 2010/87/EU with optional clauses removed. All disputes or liability arising under these agreements, even if entered into by affiliates, will be treated by the parties as if the dispute or liability arose between them under the terms of this Agreement.

### **8.3 Cloud Service Content**

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 7 days for non-production Instances. 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 Client. 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 cannot and is not obligated to recover the deleted data.

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 Extract services are available under a separate SOW. 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.

### **8.4 Downtime**

The planned maintenance downtime window for the Cloud Service is listed in the IBM Software as a Service Support Handbook. Additional Downtime can be scheduled in advance by notifying Client through Technical Support. 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.

## **8.5 Additional Services**

### **8.5.1 Application 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 IBM program provided as part of 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 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 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 to Client.

### **8.5.2 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.

## **8.6 Client Provided Certificates**

The Cloud Service will be configured to use an IBM provided internet uniform resource unless Client requests specifically to use Client's own internet uniform resource locator. If Client chooses to use Client's 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.

## **8.7 Disaster Recovery**

To the extent Client is running on a current, supported version of the Cloud Service, in the event of a major system disruption, caused by a natural disaster (e.g. fire, earthquake, flood, etc.) beyond IBM's control, Disaster Recovery will be accomplished by restoring Client's production data to one of Client's Non-Production Instances or Connections and is only available if Client has purchased at least one Non Production Instance or Connection for each Associated IBM Program. Disaster Recovery is only available for production Instances and Connections. IBM will perform Disaster Recovery using commercially reasonable efforts to restore Client's Cloud Service with a Recovery Time Objective (RTO) of 72 hours and with a Recovery Point Objective (RPO) of 24 hours for production Instances and Connections.

## **8.8 Cumulative Entitlements Requirement**

Clients must obtain an Instance entitlement, as well as sufficient Authorized User entitlements to cover the Cloud Service Users of IBM Emptoris Contract Management on Cloud, IBM Emptoris Contract Management Buy Side Premium on Cloud, IBM Emptoris Contract Management Buy Side on Cloud, IBM Emptoris Contract Management Sell Side Premium on Cloud, IBM Emptoris Contract Management Sell Side on Cloud, and IBM Emptoris Contract Management for Commercial Banking Agreements on Cloud.

## **8.9 Entitlements Not Required**

Administrative users are included in the Cloud Service offering. Client is not required to obtain Authorized User entitlements for administrative users of the Cloud Service.

An administrative user is authorized to create and manage the following: clause templates, contract templates, interview design, approval rules, notification templates, line definitions, term definitions, organizations, data sources, groups, roles, workflows, categories, and master supplier records.

If an administrative user does non-administrative activities they will require an entitlement.

Any external user (users associated with external third parties with whom Client is engaged) may be provided access to the Cloud Service and are considered Guest Users. Client is not required to obtain Authorized User entitlements for Guest Users of the Cloud Service. Guest Users are Client's 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.