

Service Description

IBM App Connect Enterprise on IBM Cloud

This Service Description describes the Cloud Service IBM provides to Client. Client means the contracting party 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 App Connect Enterprise on IBM Cloud is a fully-managed integration platform on IBM Cloud with a broad range of capabilities to connect different applications. It provides enterprise-wide connectivity options for deep integration needs.

Client can use the IBM App Connect Enterprise Toolkit to build integration assets that are packaged and deployed as an Integration Server. The IBM App Connect Enterprise Toolkit can be accessed by downloading the Developer Edition of IBM App Connect Enterprise, which is enabling software included with the Cloud Service. An "Integration Server" runs in its own container to ensure separation of workload. A "container" allows Client to package an application with all of its dependencies into a standardized unit for software development, containing all the necessary components, including runtime, system tools and libraries, to enable Client to deploy their integration solution. Containers come in various sizes, for instance 4GB, which describes the amount of memory to which a container has access.

In addition, Clients can build Flows between applications and expose Flows as RESTful API operations. A "Flow" is an automated movement of data between a source and target.

This Cloud Service includes use of Flows with Integration Servers, limited to the following monthly quantities:

- 1 million Flow Runs;
- 1 terabyte data transmitted outbound; and
- 2 thousand workload hours.

Samples are provided to enable Clients to get started with the Cloud Service. These samples are for example purposes only and should not be used in production.

IBM Cloud, IBM's open standards cloud platform for building, running, and managing apps and services, is a technical pre-requisite for the Cloud Service. At the time of provisioning, Client must have an IBM Cloud account. New users can register for access via the online registration form:

<https://console.bluemix.net/registration>.

1.1 IBM App Connect Enterprise Additional Flows

If Client needs more than the included quantities for use of Flows, an Additional Flows Instance provides a subscription to the following monthly add-on quantities:

- 10 thousand Flow Runs;
- 10 Gigabyte data transmitted outbound; and
- 20 workload hours.

1.2 IBM App Connect Enterprise Hybrid Entitlement

Entitlement to the IBM App Connect Enterprise Hybrid offering allows Client to use the Cloud Service offering via the cloud or install the software on premise (i.e., "IBM Program").

The IBM Program included in this entitlement is IBM App Connect Enterprise.

Client is able to use the IBM Program and access technical support and IBM Program upgrades as long as Client continues to subscribe to the Cloud Service.

2. Content and Data Protection

The Data Processing and Protection data sheet (Data Sheet) provides information specific to the Cloud Service regarding the type of Content enabled to be processed, the processing activities involved, the data protection features, and specifics on retention and return of Content. Any details or clarifications and

terms, including Client responsibilities, around use of the Cloud Service and data protection features, if any, are set forth in this section. There may be more than one Data Sheet applicable to Client's use of the Cloud Service based upon options selected by Client. The Data Sheet may only be available in English and not available in local language. Despite any practices of local law or custom, the parties agree that they understand English and it is an appropriate language regarding acquisition and use of the Cloud Services. The following Data Sheet(s) apply to the Cloud Service and its available options. Client acknowledges that i) IBM may modify Data Sheet(s) from time to time at IBM's sole discretion and ii) such modifications will supersede prior versions. The intent of any modification to Data Sheet(s) will be to i) improve or clarify existing commitments, ii) maintain alignment to current adopted standards and applicable laws, or iii) provide additional commitments. No modification to Data Sheet(s) will materially degrade the data protection of a Cloud Service.

Link(s) to the applicable Data Sheet(s):

<https://www.ibm.com/software/reports/compatibility/clarity-reports/report/html/softwareReqsForProduct?deliverableId=BDB070B0C02811E5BA010CF56D8211B6>

Client is responsible to take necessary actions to order, enable, or use available data protection features for a Cloud Service and accepts responsibility for use of the Cloud Services if Client fails to take such actions, including meeting any data protection or other legal requirements regarding Content.

IBM's Data Processing Addendum at <http://ibm.com/dpa> (DPA) and DPA Exhibit(s) apply and are referenced in as part of the Agreement, if and to the extent the European General Data Protection Regulation (EU/2016/679) (GDPR) applies to personal data contained in Content. The applicable Data Sheet(s) for this Cloud Service will serve as the DPA Exhibit(s). If the DPA applies, IBM's obligation to provide notice of changes to Subprocessors and Client's right to object to such changes will apply as set out in DPA.

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 that there is a critical business impact and the Cloud Service is not available. 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 3 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)
Less than 99.9%	2%
Less than 99%	5%
Less than 95%	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.

4. Technical Support

Technical support for the Cloud Service is provided via email, online forums, and an online problem reporting system. IBM's software as a service support guide available at https://www.ibm.com/software/support/saas_support_guide.html provides technical support contact and other information and processes. Technical support is offered with the Cloud Service and is not available as a separate offering.

Technical support for the enabling software IBM App Connect Enterprise is provided only when running in "Switch" mode.

5. Entitlement and Billing Information

5.1 Charge Metrics

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

- Virtual Processor Core is a unit of measure by which the Cloud Service can be obtained. A Physical Server is a physical computer that is comprised of processing units, memory, and input/output capabilities and that executes requested procedures, commands, or applications for one or more users or client devices. Where racks, blade enclosures, or other similar equipment is being employed, each separable physical device (for example, a blade or a rack-mounted device) that has the required components is considered itself a separate Physical Server. A Virtual Server is either a virtual computer created by partitioning the resources available to a Physical Server or an unpartitioned Physical Server. A Processor Core (commonly called a processor or CPU) is a functional unit within a computing device that interprets and executes instructions. A Processor Core consists of at least an instruction control unit, and one or more arithmetic or logic units. A Virtual Processor Core is a Processor Core in an unpartitioned Physical Server, or a virtual core assigned to a Virtual Server. Sufficient entitlements must be obtained for each Virtual Processor Core made available to the Cloud Service during the measurement period specified in Client's PoE or Transaction Document.
- Gigabyte is a unit of measure by which the Cloud Service can be obtained. A Gigabyte is defined as 2 to the 30th power bytes of data (1,073,741,824 bytes). Sufficient entitlements must be obtained to cover the total number of Gigabytes processed by the Cloud Service during the measurement period specified in Client's PoE or Transaction Document.
- 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.

5.2 Billing Frequency

Based on selected billing frequency, IBM will invoice Client the charges due at the beginning of the billing frequency term, except for overage and usage type of charges which will be invoiced in arrears.

5.3 Verification

Client will i) maintain, and provide upon request, records, and system tools output, 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.

Renewals are subject to an annual price increase as specified in a quote. In the event the automatic renewal is after receipt of an IBM notice of a withdrawal of the Cloud Service, the renewal term will end the earlier of the end of the current renewal term or the announced withdrawal date.

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

7.1 General

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

Client may not use Cloud Services, alone or in combination with other services or products, in support of any of the following high risk activities: design, construction, control, or maintenance of nuclear facilities, mass transit systems, air traffic control systems, automotive control systems, weapons systems, or aircraft navigation or communications, or any other activity where failure of the Cloud Service could give rise to a material threat of death or serious personal injury.

7.2 Links to Third Party Websites or Other Services

The Cloud Service may contain links to or be used to access third party data services, databases, web services, software, or other content (all, "content"). Access to this content is provided "AS-IS", WITH NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING THE WARRANTY OF TITLE, NON-INFRINGEMENT OR NON-INTERFERENCE AND THE IMPLIED WARRANTIES AND CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Access can be terminated by the relevant third parties (or by IBM) at their sole discretion at any time. Client may be required to enter into separate agreements with the third parties for the access to or use of such content. IBM is not a party to any such separate agreements, but Client authorizes IBM to provide such access as part of the Cloud Service. As an express condition of this Agreement, Client agrees to comply with the terms of such separate agreements, as well as any usage guidelines or restrictions applicable to such third party content, and Client agrees to hold IBM harmless against any claims arising out of or relating to Client's breach of these separate agreements, guidelines, or restrictions. Certain end point applications may be subject to usage limitations imposed by the application provider. This may result in a lower number of permitted calls to an application than the relevant Cloud Service monthly limit.

7.3 Restrictions and Fair Usage Policy

The Cloud Service is designed to run certain Flows as soon as a defined trigger event occurs, however IBM does not warrant that this will occur within a set period of time.

In exceptional circumstances it may be necessary for IBM to take steps to stop or remove unreasonable Client Flows which are adversely impacting other users or overall system performance.

7.3.1 Secure Gateway Restrictions

The optional secure gateway component provides the capability to allow users to connect to local applications inside their own firewall. Use of the secure gateway component is subject to a usage

limitation of 1GB per month. The secure gateway component provides an encrypted connection between the local system and the Cloud Service environment for more secure transmission of data between a local application and the Cloud Service.

Use of the optional secure gateway component is at Client's own risk. Client agrees to hold IBM harmless from its damages and against any third party claim arising out of or relating to Client using this component or choosing to use unencrypted or insecure communication between applications and the Cloud Service.

7.4 Enabling Software

IBM App Connect Enterprise on IBM Cloud allows the use of enabling software (licensed under separate license terms) that Client downloads to Client systems to facilitate use of the Cloud Service. Client may use enabling software only in connection with use of the Cloud Service and only for the Cloud Service term. Enabling software is provided "AS-IS".

- IBM App Connect Enterprise (Developer Edition), including the IBM App Connect Enterprise Toolkit.
- IBM App Connect Enterprise "switch mode" of operation: 'Switch' mode of operation enables connection to on-premises endpoints, available with IBM Integration Bus v10.0.0.2 or later.
- Clients who are separately entitled to use IBM App Connect Enterprise v11, WebSphere Message Broker v7 or v8, or IBM Integration Bus v9 or v10, may download and deploy IBM Integration Bus v10.0.0.2 or later as enabling software to run in "switch mode" alongside their earlier version of IBM Integration Bus without impacting existing on-premise entitlements.
- IBM App Connect Studio: an optional component of IBM App Connect Enterprise v11, to build Flows that enables a user to design and test integration projects offline and then publish them to the Cloud Service.
- Secure Connector: an optional downloadable component of IBM App Connect Enterprise on IBM Cloud that provides security around the transfer of data between Flows of the Cloud Service and an endpoint located behind a firewall.

In the event of a conflict with the license terms accompanying the enabling software, this Service Description will prevail.