IBM Terms of Use – SaaS Specific Offering Terms

IBM Bluemix Local

The Terms of Use ("ToU") is composed of this IBM Terms of Use - SaaS Specific Offering Terms ("SaaS Specific Offering Terms") and a document entitled IBM Terms of Use - General Terms ("General Terms") available at the following URL: www.ibm.com/software sla/sladb.nsf/sla/tou-gen-terms/.

In the event of a conflict, the SaaS Specific Offering Terms prevail over the General Terms. By ordering, accessing or using the IBM SaaS, Client agrees to the ToU.

The ToU is governed by the IBM International Passport Advantage Agreement, the IBM International Passport Advantage Express Agreement, or the IBM International Agreement for Selected IBM SaaS Offerings, as applicable ("Agreement") and together with the ToU make the complete agreement.

1. IBM SaaS

The following IBM SaaS offerings are covered by these SaaS Specific Offering Terms:

- IBM Bluemix Local 64GB Compute Capacity
- IBM Bluemix Local Compute 16GB Capacity
- IBM Bluemix Data & Session Cache 50 GB Capacity
- IBM Bluemix Local Access One-Time Set Up
- IBM Bluemix Local API Management 500 API Calls Capacity

2. Security Description

This IBM SaaS 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 and privacy principals will not degrade the security of the IBM SaaS.

The IBM SaaS does not have any regulatory compliance certifications at this time.

3. Charge Metrics

The IBM SaaS is sold under the following charge metric as specified in the Transaction Document:

- Instance is a unit of measure by which the IBM SaaS can be obtained. An Instance is access to a specific configuration of the IBM SaaS. Sufficient entitlements must be obtained for each Instance of the IBM SaaS made available to access and use during the measurement period specified in Client's Proof of Entitlement (PoE) or Transaction Document.

4. Charges and Billing

The amount payable for the IBM SaaS is specified in a Transaction Document.

4.1 Partial Month Charges

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

5. IBM SaaS Subscription Period Renewal Options

Client’s PoE will set forth whether the IBM SaaS will renew at the end of the Subscription Period, by designating one of the following:

5.1 Automatic Renewal

If Client’s PoE states that Client’s renewal is automatic, Client may terminate the expiring IBM SaaS Subscription Period by written request to Client’s IBM sales representative or IBM Business Partner, at least ninety (90) days prior to the expiration date as set forth in the PoE. If IBM or its IBM Business Partner does not receive such termination notice by the expiration date, the expiring Subscription Period will be automatically renewed for either one year or the same duration as the original Subscription Period as set forth in the PoE.

5.2 Renewal Required

When the PoE states that Client’s renewal type is “terminate”, the IBM SaaS will terminate at the end of the Subscription Period and Client’s access to the IBM SaaS will be removed. To continue to use the
IBM SaaS beyond the end date, Client will need to place an order with Client’s IBM sales representative or IBM Business Partner to purchase a new Subscription Period.

6. **Technical Support**

Technical Support for services executed in the private environment is included for no additional charge with this Bluemix Local offering. A description of the support offering is found in the IBM Bluemix Terms of Use in the section for Standard Support. The description of how charges are calculated for Standard Support does not apply to this Bluemix Local offering.

7. **IBM SaaS Offering Additional Terms**

7.1 **Derived Benefit Locations**

Where applicable, taxes are based upon the location(s) Client identifies as receiving benefit of the IBM SaaS. IBM will apply taxes based upon the business address listed when ordering an IBM SaaS as the primary benefit location unless Client provides additional information to IBM. Client is responsible for keeping such information current and providing any changes to IBM.

7.2 **Data Collection**

In the Bluemix Local environment, IBM may collect data about system state including logins by Client users (developers/operators) who deploy and operate Client applications on Bluemix, IP addresses of components, machines on which applications are deployed, health of components, capacity of the environment, communication between components, changes to components and the environment, usage/metering of resources and services, component logs, etc. IBM will not collect or access data stored by applications, services, or end users who access the applications developed and deployed by Client or other personally identifiable end Client information. All data is used solely for the purpose of supporting the specific environment, which includes assuring the security, availability, performance, capacity and health of that environment. This data will not be used or shared for other purposes.
Appendix A

1. IBM Bluemix Local Description

IBM will set up and maintain a private environment for the ordered IBM Bluemix components on Client's supplied computer infrastructure. This will be a private environment in which Client may execute the identified Bluemix services and runtimes.

Client must separately obtain a subscription to the public IBM Bluemix offering for a term equal to that for its order for BluemixLocal. For services and runtimes executed in the private environment, there are no usage charges as those are covered by the fees associated with the private environment itself. All other terms associated with those services in the public IBM Bluemix offering continue to apply.

- Bluemix operational staff will deploy all releases and software updates to Client's instances of Bluemix and related services. The update will be scheduled in advance with the appropriate notification. Specifics regarding maintenance can be found at http://www.ng.bluemix.net/docs/overview/maintainlocal.html, which may be updated by IBM from time to time.

2. IBM and Client's Requirements

2.1 Client will:

- Provide local cloud infrastructure on Client's computers in conformance with the requirements provided at http://www.ng.bluemix.net/docs/overview/localinfrastructure.html, which may be updated by IBM from time to time;
- Provide IBM complete access to and control over the required cloud infrastructure during the term of the IBM SaaS, except as Client may need to retain access to perform mandatory maintenance and support activities on the infrastructure as described in the requirements referred to above; and
- Support the IBM team during installation, integration for management/monitoring, and ongoing activities.

2.2 IBM will:

- Provide architectural documents for review and discussion prior to implementation;
- Perform initial installation and installation of ongoing updates to the Bluemix Local environment; and
- Assign engineer(s) to support and manage the environment remotely.

3. Specific Option Descriptions

Bluemix Local components may indicate a specific configured capacity (such as gigabytes or transactions per second). Since actual capacity in practice for any configuration of the IBM SaaS varies depending on many factors, the actual capacity in practice may be more or less than the configured capacity.

a. IBM Bluemix Local 64GB Compute Capacity – An environment that permits deployment and execution of Bluemix applications with a cumulative memory capacity of 64 gigabytes.

b. IBM Bluemix Local Compute 16GB Capacity – An extension of the IBM Bluemix Local Compute environment to provide an additional 16 gigabytes of memory capacity.

c. IBM Bluemix Data & Session Cache 50 GB Capacity – An environment that permits deployment and execution of Data Cache and Session Cache instances up to a cumulative capacity of 50 gigabytes.

d. IBM Bluemix Local Access One-Time Set Up – A one time charge for deploying and configuring Client's Local Bluemix Environment.

e. IBM Bluemix Local API Management 500 API Calls Capacity – An environment that permits execution of a private version of IBM API Management for Bluemix within the private environment with a capacity of 500 API calls per second.
IBM provides the following availability service level agreement (SLA) for IBM branded service (Service) instances and runtime (Runtime) instances from the Bluemix Local catalog of offerings. The SLA does not apply to third party services that are subject to a third party agreement. The SLA is available only to Client that is compliant with the agreement terms and does not apply to beta, experimental or Bluemix offerings provided at no charge. The SLA is not a warranty.

1. Service Level

IBM provides a 99.5% availability service level for Service instances and Runtime instances provisioned in a single Bluemix Local environment during a contracted month. Downtime is the total accrued minutes where Client is unable to connect to such Service instance, or to at least one of two Runtime instances (Downtime), and is measured from the time Client reported an outage event until the time the affected instance is available for use as validated by IBM system records.

IBM provides a 99.95% availability service level for Services and Runtimes that have been configured for high availability and are distributed across two Bluemix Local environments during a contracted month. Downtime is the total accrued minutes where Client is unable to connect to at least one of two Service instances, or to at least one of two Runtime instances (Downtime), and is measured from the time Client reported an outage event until the time at least one of the affected instances is available for use as validated by IBM system records.

2. Availability Credits

If Client believes an availability credit is due in any contracted month, Client must submit a SLA claim within seven days after the end of such month documenting the Service or Runtime outages and include information to identify affected instances, error messages or other information necessary to identify and validate the claim. Reference IBM support tickets, if applicable. Client must submit all claims by emailing billing@bluemix.net.

Compensation for a valid SLA claim will be a credit Client can apply to future Bluemix use. The credit will be the highest applicable compensation based on the cumulative availability of the affected Service or Runtime during a contracted month, as shown in the table below. The total compensation with respect to any contracted month cannot exceed 25% of the monthly charge for the affected Service or Runtime.

<table>
<thead>
<tr>
<th>Single Local Environment Availability during a contracted month</th>
<th>Two Local Environments Availability during a contracted month</th>
<th>Compensation (% of monthly charge* that is the subject of a claim)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 99.5%</td>
<td>&lt; 99.95%</td>
<td>10%</td>
</tr>
<tr>
<td>&lt; 99.0%</td>
<td>&lt; 99.90%</td>
<td>25%</td>
</tr>
</tbody>
</table>

* If the Cloud Service was acquired from an IBM Business Partner, the monthly charge 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.

3. Exclusions

Downtime does not include time related to a scheduled or announced maintenance outage; causes beyond IBM’s control; problems with Client or community content or technology, designs or instructions; non-IBM buildpacks; unsupported system configurations and platforms or other Client errors; or Client-caused security incident or Client security testing.

Even though the Bluemix Platform and Services are designed and deployed to survive most IaaS network or HW failures, examples of events that could cause an interruption in the Bluemix Service include, but are not limited to: network performance slow down or switch failure, data center power interruption or
disk/memory failure. These events create time that cannot be counted against the availability SLA. These events also exempt any recovery time that would be necessary to bring the entire Bluemix service back to full operation after the event.