IBM App Connect Professional

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 Professional on Cloud is a cloud-based platform that provides tools and resources to integrate cloud and on-premise applications. Clients may choose from any supported cloud and on-premise applications. This cloud based service allows users to build integration Flows between applications and to expose Flows as RESTful API operations. A “Flow” is an automated movement of data between a source and target.

IBM App Connect Professional on Cloud comprises two major components, the Studio experience and the Designer experience. The Studio experience supports deployment of flows to both, multi-tenant (metered use) and dedicated (per VPC) runtime environments; it reports usage on number of Flow Runs (displayed as Jobs Usage) and Workload Hours (displayed as Environment Time Usage). The Designer experience runs in a multi-tenant metered use environment.

Clients have the following options to subscribe to this Cloud Service.

1.1 IBM App Connect Professional on Cloud: Use Levels 1, 2, 3

IBM App Connect Professional on Cloud Subscription to use levels provides a shared multi-tenant service with a choice of pre-defined Instance sizes. These Instance sizes are differentiated based on number of Flow Runs, and the total execution duration of workload in hours per month (“Workload Hours”).

<table>
<thead>
<tr>
<th>Cloud Service</th>
<th>Flow Runs per month</th>
<th>Workload Hours per month</th>
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</thead>
<tbody>
<tr>
<td>App Connect Professional on Cloud Level 1</td>
<td>20,000 Flow Runs</td>
<td>100 hours</td>
</tr>
<tr>
<td>App Connect Professional on Cloud Level 2</td>
<td>50,000 Flow Runs</td>
<td>250 hours</td>
</tr>
<tr>
<td>App Connect Professional on Cloud Level 3</td>
<td>100,000 Flow Runs</td>
<td>500 hours</td>
</tr>
<tr>
<td>App Connect Professional on Cloud Add-on</td>
<td>1,000 Flow Runs</td>
<td>5 hours</td>
</tr>
</tbody>
</table>

Each Level provides Clients access to complete platform functionality, tooling to configure, run, and manage application integrations, connectivity to supported cloud and on-premise applications, unlimited endpoints connectivity and unlimited users.

Each Level limits the total number of Flow Runs per month and number of allowed Workload Hours of usage per month, cumulative across all Client’s environments.

When Client purchases the Cloud Service, Client can acquire the Levels in multiples, in any combination, to cover the capacity required.

1.2 Optional Features or Services

1.2.1 IBM App Connect Professional on Cloud Add-on Instance

Client may also optionally purchase additional Flow Runs and Workload Hours using the optional Add-on instance listed above. Each Add-on Instance entitlement provides Client an additional 1,000 Flow Runs and 5 Workload Hours of use per month.

1.2.2 IBM App Connect Professional on Cloud – per Virtual Processor Core

IBM App Connect Professional on Cloud Subscription per Virtual Processor Core (VPC) allows Client to purchase entitlements to dedicated runtimes. This dedicated service provides Client access to complete platform functionality, tooling to configure, run, and manage application integrations, connectivity to supported cloud and on-premise applications, unlimited endpoints connectivity and unlimited users. There are a prescribed minimum number of virtual cores which Client will be required to procure for using dedicated runtime capacity.
• Dedicated runtimes per VPC are managed through the Studio experience. In addition, for every VPC subscribed, Client is also entitled to use 50,000 Flow Runs per month from the Designer experience.

1.2.3 IBM App Connect Professional Hybrid Entitlement
Entitlement to the IBM App Connect Professional Hybrid offering allows Client to use the Cloud Service via the cloud or install the software on-premise (i.e., "IBM Program"). The IBM Program included in this entitlement is IBM App Connect Professional.

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. Security Description
This Cloud Service follows IBM’s data security and privacy principles for IBM Cloud Services which are available at http://www.ibm.com/cloud/data-security 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 Cloud Service.

This Cloud Service may be used to process content that contains personal data. If Client, as the data controller, determines that the technical and organizational security measures are appropriate to the risks presented by the processing and the nature of the data to be protected. Client recognizes that this Cloud Service does not offer features for the protection of sensitive personal data or data subject to additional regulatory requirements. Client acknowledges that IBM has no knowledge of the types of data that have been included in the content, and cannot make an assessment as to the suitability of the Cloud Services or the security protections which are in place.

2.1 Security Features and Responsibilities
The Client is responsible for providing secure connection to the IBM provided Cloud Service access point. Information about securely connecting on-premise and cloud end points with the Cloud Service can be found in product documentation. Clients are advised to review and follow recommended steps when setting up secure connectivity.

This Cloud Service is included in IBM’s Privacy Shield certification and applies when Client chooses to have the Cloud Service hosted in a data center located in the United States, and is subject to IBM’s Privacy Shield Privacy Policy, available at http://www.ibm.com/privacy/details/us/en/privacy_shield.html.

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 5 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

<table>
<thead>
<tr>
<th>Availability during a contracted month</th>
<th>Compensation (% of monthly subscription fee* for contracted month that is the subject of a claim)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 99.5%</td>
<td>2%</td>
</tr>
<tr>
<td>Less than 99%</td>
<td>5%</td>
</tr>
</tbody>
</table>

* 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 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.

5. Entitlement and Billing Information

5.1 Charge Metrics

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

a. Instance is a unit of measure by which the IBM 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.

b. Thousand Item is a unit of measure by which Cloud Service overages are charged. An Item is an occurrence of a specific item that is processed by, managed by, or related to the use of the Cloud Service. Client will be charged for the number of Items that exceed Client's entitled usage based on the offering to which Client has subscribed, rounded up to the next thousand, during the billing period.

One Thousand Items overage includes up to 1,000 Flow Runs and up to 5 Workload Hours.

c. 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 unit. 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 Proof of Entitlement or Transaction Document.

5.2 Overage Charges

If actual usage of the Cloud Service during the measurement period exceeds the entitlement specified in the PoE, an overage charge will be billed at the rate specified in the Transaction Document in the month following such overage.
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 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.

7.2 **Enabling Software**

The Cloud Service requires the use of enabling software 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. Enabling software is provided "AS-IS".

   a. App Connect Desktop Studio is an optional component that enables a user to design and test integration projects offline and then publish them to the Cloud Service.

   b. Secure Connector is an optional component in the Studio experience that provides security around the transfer of data between the Cloud Service and an endpoint located behind a firewall.

7.3 **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 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.

7.4 **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.

7.5 **Secure Gateway Restrictions**

The optional secure gateway component in the Designer experience provides the capability to allow users to connect to local applications inside their own firewall. Use of the gateway component is subject to a usage limitation of 1GB per month. The 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.
7.6 **Processing of Personal Information**

To the extent personal information is submitted to the Cloud Service, Client agrees that IBM may process such information in order to provide the Cloud Service and any related technical support. The Cloud Service and such support may be provided from outside the European Economic Area.