



Service Description

IBM DemandTec for Manufacturers

This Service Description describes the Cloud Service IBM provides to Client. Client means and includes the company, its authorized users or recipients of the Cloud Service.

1. Cloud Service

The Cloud Service offering, is described below. The applicable Quotation and Proof of Entitlement (PoE) are provided as separate Transaction Documents.

1.1 IBM DemandTec Assortment Optimization for Manufacturers on Cloud in Program

IBM DemandTec Assortment Optimization takes into account store-level, physical properties and the shopper needs for item-level incremental analysis and optimization scenarios. It generates multiple optimization scenarios for varying objectives such as shelf utilization and sales optimization.

1.2 IBM DemandTec Shopper Insights for Manufacturers on Cloud in Program

IBM DemandTec Shopper Insights on Cloud for Manufacturers in program enables manufacturers to analyze the behavior of shoppers of retailers that have subscribed for the retail version of IBM DemandTec Shopper Insights, including trips, purchase frequency, and product purchase through a series of dashboards.

1.3 IBM DemandTec Shopper Insights for Brokers in Program

IBM DemandTec Shopper Insights on Cloud for Brokers in program enables Brokers to analyze the behavior of shoppers of retailers that have subscribed for the retail version of IBM DemandTec Shopper Insights, including trips, purchase frequency, and product purchase through a series of dashboards.

1.4 IBM DemandTec Deal Management for Manufacturers and Brokers on Cloud in Program

IBM DemandTec Deal Management on Cloud for Manufacturers in program enables manufacturers and brokers to automate and streamline presentations, negotiations, invoicing and reconciliation of deals they send to participating retailers in a web-based environment.

1.5 IBM DemandTec Advanced Deal Management for Manufacturers and Brokers on Cloud in Program

IBM DemandTec Advanced Deal Management on Cloud for Manufacturers in program enables manufacturers and brokers to automate and streamline the entry, negotiation and reconciliation of trade promotions they send to participating retailers in a web-based environment. Advanced Deal Management incorporates manufacturer specified product views, as well as deal archives which allow access and reporting across items, deals, invoices, and billing. Advanced Deal Management incorporates additional capabilities to facilitate the deal process including deal replication, email alerts, extended visibility, fund tracking, and deal exports.

2. Security Description

2.1 Security Policies

IBM maintains privacy and security policies that are communicated to IBM employees. IBM requires privacy and security training to personnel who support IBM data centers. We have an information security team. IBM security policies and standards are reviewed and re-evaluated annually. IBM security incidents are handled in accordance with a comprehensive incident response procedure.

2.2 Access Control

Access to Client data, if required, is allowed only by authorized IBM support representatives according to principles of segregation of duties. IBM staff use two-factor authentication to an intermediate "gateway" management host. All connections are encrypted channels when accessing Client data. All access to Client data and transfer of data into or out of the hosting environment is logged. WIFI use is prohibited within the IBM data centers that support this Cloud Service.

2.3 Service Integrity and Availability

Modifications to operating systems and application software are governed by IBM's change management process. Changes to firewall rules are also governed by the change management process and are reviewed by the IBM security staff before implementation. IBM monitors the data center 24x7. Internal and external vulnerability scanning is regularly conducted by authorized administrators and third party vendors to help detect and resolve potential system security exposures. Malware detection (antivirus, intrusion detection, vulnerability scanning, and intrusion prevention) systems are used in all IBM data centers. IBM's data center services support a variety of information delivery protocols for transmission of data over public networks. Examples include HTTPS/SFTP/FTPS/S/MIME and site-to-site VPN. Backup data intended for off-site storage is encrypted prior to transport.

2.4 Activity Logging

IBM maintains logs of its activity for systems, applications, data repositories, middleware and network infrastructure devices that are capable of and configured for logging activity. To minimize the possibility of tampering and to enable central analysis, alerting and reporting, activity logging is done in real-time to central log repositories. Data is signed to prevent tampering. Logs are analyzed in real-time and via periodic analysis reports to detect anomalous behavior. Operations staff is alerted to anomalies and contacts a 24x7 on-call security specialist when needed.

2.5 Physical Security

IBM maintains physical security standards designed to restrict unauthorized physical access to IBM data centers. Only limited access points exist into the data centers, which are controlled by two-factor authentication and monitored by surveillance cameras. Access is allowed only to authorized staff that have approved access. Operations staff verifies the approval and issues an access badge granting the necessary access. Employees issued such badges must surrender other access badges and can only possess the data center access badge for the duration of their activity. Usage of badges is logged. Non-IBM visitors are registered upon entering on premises and are escorted when they are on the premises. Delivery areas and loading docks and other points where unauthorized persons may enter the premises are controlled and isolated.

2.6 Compliance

IBM performs industry standard SSAE 16 audits (or their equivalent) annually in production data centers. IBM reviews security and privacy-related activities for compliance with IBM's business requirements. Assessments and audits are conducted regularly by IBM to confirm compliance with its information security policies. IBM employees and vendor employees complete workforce security and awareness training annually. Personnel are reminded of their job objectives and their responsibility to meet ethical business conduct, confidentiality, and IBM's security obligations annually.

3. Service Level Agreement

IBM provides the following availability service level agreement ("SLA") for the Cloud Service as specified in the Transaction Document. The SLA is not a warranty.

3.1 Definitions

- a. "Availability Credit" means the compensation IBM will provide for a validated Claim. The Availability Credit will be applied in the form of a credit against a future invoice for the Cloud Service.
- b. "Claim" means a claim Client submits to IBM that a service level has not been met during a Contracted Month.
- c. "Contracted Month" means each full calendar month during the Cloud Service term measured from 12:00 a.m. Eastern US time on the first day of the month through 11:59 p.m. Eastern US time on the last day of the month.
- d. "Downtime" means a period of time during which production system processing for the Cloud Service for which Client is entitled to use is not available. Downtime does not include the period of time when the Cloud Service is not available because of:
 - (1) A scheduled or announced maintenance outage;
 - (2) Events or causes beyond IBM's control (e.g., natural disaster, internet outages, emergency maintenance, etc.);

- (3) Client's failure to adhere to required system configurations and supported platforms or Client system administration, commands, or programming errors to provide content or access to the Cloud Service;
 - (4) Client's caused security breach or any security testing performed by Client; or
 - (5) IBM's compliance with any designs, specifications, or instructions that Client provides to IBM or a third party provides to IBM on Client's behalf.
- e. "Event" means a circumstance or set of circumstances taken together, resulting in a failure to meet a Service Level.

3.2 Availability Credits

To submit a Claim, Client must log a Severity 1 support ticket (as defined below in the Technical Support Section) for each Event with the IBM technical support help desk within 48 hours of first becoming aware that the Event has impacted use of the Cloud Service. Client must provide all necessary information about the Event, and reasonably assist IBM with the diagnosis and resolution.

A Claim for an Availability Credit must be submitted to either Client's IBM Account Representative or IBM Client Success Manager no later than three (3) business days after the end of the Contracted Month in which the Claim arose.

- a. The total Availability Credits awarded with respect to any Contracted Month cannot exceed twelve percent (12%) of one twelfth (1/12th) of the annual charge for the Cloud Service.
- b. For bundled Cloud Services (individual Cloud Service offerings packaged and sold together as a single offering for a single combined price), the Availability Credit 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.

3.3 Service Levels

Availability of the Cloud Service during a Contracted Month

Availability during a Contracted Month	Availability Credit (% of Monthly Subscription Fee* for Contracted Month that is the subject of a Claim)
97.00% - 99.00%	2%
95.00% – 96.99%	5%
Less than 95.00%	12%

* 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 a 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	= 98.8% availability during the Contracted Month for a 2% Availability Credit
<hr style="width: 50%; margin: 0 auto;"/> 43,200 total minutes	

3.4 Other information about this SLA

This SLA is made available only to the Client company and does not apply to claims made by a user of the Cloud Service or for any beta or trial services. The SLA only applies to the Cloud Services in productive use. It does not apply to non-production environments, including but not limited to the IBM

DemandTec Managed Cloud Preview or test, disaster recovery, quality assurance, or development environments.

4. Entitlement and Billing Information

4.1 Definitions

The following terms shall have the meanings set forth below:

Broker — means a Customer that represents one or more CP Companies as its sales agent handling headquarter and/or retail coverage. A Broker is authorized to access the Cloud Service with a specific Included Retailer, for specific Product Categories, and only on behalf of specific named Brokered CP Companies.

Brokered CP Company — means a CP Company that engages a Broker to handle its representation to retailers in connection with planning promotions, submitting offers and other transactions.

Consumer Products or CP — means any article or component thereof produced or distributed for direct sale to a consumer. By way of example, “Consumer Products” include apparel and footwear, food and beverage, home and personal care, consumer durables & home appliances, consumer non-durables, specialty, and pet care, but do not include automobiles, airplanes, financial instruments, services or houses.

Included Business — means the division, business unit or channel (for example, physical stores versus on-line ecommerce) in connection with which Client subscribes to use the Cloud Service.

Included Geography — means the geography in which Client subscribes to use the Cloud Service.

Retailer — means a Client engaged in the sale of Consumer Products in small or individual lots for direct consumption by the consumer.

Total Sales — means gross sales dollars of the legal entity subscribing to the Cloud Service that are derived from the sale of products sold by the Included Business in the last full twelve months prior to the initial term or renewal of the term.

Capitalized terms not defined herein are defined in the Cloud Service Agreement.

4.2 Charge Metrics

The Cloud Services are available under one of the following charge metrics as specified in the Transaction Document:

- a. Million Revenue Conversion Unit (MRCU) is a unit of measure by which the Cloud Service can be obtained. A Revenue Conversion Unit is a currency-independent measure of a Revenue amount relevant to the Cloud Service. Currency-specific Revenue amounts must be converted into RCUs in accordance with the table located at [Conversion unit table](http://www-01.ibm.com/software/passportadvantage/conversion_unit_table.html) (http://www-01.ibm.com/software/passportadvantage/conversion_unit_table.html). Each MRCU entitlement represents one Million RCUs. Sufficient MRCU entitlements must be obtained to cover the amount of Revenue processed or managed by the Cloud Service during the measurement period specified in Client’s Proof of Entitlement.
- b. Engagement is a unit of measure by which the services can be obtained. An Engagement consists of professional and/or training services related to the Cloud Service. Sufficient entitlements must be obtained to cover each Engagement.

Note: The definition/scope of Revenue differs by the particular Cloud Service offering as outlined below:

Cloud Service	Revenue Definition
IBM DemandTec Assortment Optimization for Manufacturers on Cloud in Program	Revenue is the Total Sales of the Included Business generated by sales of included Product Categories to the Included Retailer
IBM DemandTec Shopper Insights for Manufacturers on Cloud in Program IBM DemandTec Shopper Insights for Brokers in Program	Revenue is the Total Sales by the CPG Manufacturer or Broker at the Retailer
IBM DemandTec Advanced Deal Management for Manufacturers and Brokers on Cloud in Program	Revenue is defined as Total sales of the Included Business to the Included Retailer

4.3 Partial Month Charges

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

5. Term and Renewal Options

5.1 Term

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. Client may increase their level of use of the Cloud Service during the term by contacting IBM or their IBM Business Partner and the increase will be confirmed in a Transaction Document.

5.2 Cloud Services Term Renewal Options

The Transaction Document will specify which of the following applies to renewal of the Cloud Service term.

5.2.1 Automatic Renewal

Where renewal is automatic, the Cloud Service term will automatically renew for either a one year term or the same duration as the expiring term if Client has not requested termination in writing at least 90 days prior to the term expiration date..

5.2.2 Continuous Billing

Where billing is continuous, Client will continue to have access to the Cloud Service following the end of the term and will be billed for usage on a continuous basis. To discontinue use of the Cloud Service and stop the continuous billing process, Client must provide 90 days written notice of cancellation. Client will be billed for any outstanding access charges through the end of the month of cancellation..

5.2.3 Renewal Required

Where the renewal type is specified as “terminate”, the Cloud Service will terminate at the end of the term and Client’s access will end. To continue to use the Cloud Service beyond the term end date, Client must order a new subscription term.

6. Technical Support

Technical support for the Cloud Service is available during the subscription period.

Regular Phone and Email Support Hours of Operation are as follows:

- Americas: 6:00 a.m. – 6:00 p.m. Pacific Time, U.S., Monday – Friday
- Europe: 8:00 a.m. – 5:00 p.m. European Central Time, Monday – Friday
- Asia: 8:00 a.m. – 5:00 p.m. Japan Standard Time, Monday – Friday

After Hours Support:

After Hours Support (outside of the regular operating hours stated above) is available only for Severity 1 issues on business days, weekends, and holidays.

Support Hotline: 1-866-460-0501

Direct Line: 1-925-460-9120

Email: dtsupport@us.ibm.com

Support web portal: <https://support.ibmcloud.com>

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.	Within 1 hour	24x7
2	Significant business impact: A service business feature or function of the service is severely restricted in its use or Client is 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
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7. Additional Information

7.1 Use of Client Data By IBM

During the subscription period, Client data may be utilized by IBM for internal research and data mining purposes, provided that IBM first removes all characteristics of such client data that might reveal Client's identity or any confidential or proprietary aspects of Client's internal business processes.

7.2 Privacy Notice

Client is aware and agrees that IBM may, as part of the normal operation and support of the Cloud Service, collect information from Client (your employees and contractors) related to the use of the Cloud Service, through tracking and other technologies. IBM does so for the purpose of improving user experience and/or tailoring interactions with Client. Client confirms that Client will obtain or have obtained consent to allow IBM to process the collected 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 information.

7.3 Derived Benefit Locations

Where applicable, taxes are based upon the location(s) receiving the benefit of the Cloud Services. IBM will apply taxes based upon the business address listed in Client's order unless Client provides additional information to IBM. Client is responsible for keeping such information current and providing any changes to IBM.

7.4 Hub and Spoke Programs

Client acknowledges that each of the Cloud Services is offered as part of a "Hub and Spoke" program for use by Client solely with a specific retailer. This means that the participating retailer has granted to IBM a limited, non-exclusive license to use that retailer's data as required to provide these Cloud Services to its CP trading partners. Use of the Cloud Service or the participating retailers sales and product data for any other purpose is not permitted. In the case of Brokers, usage is further restricted for use with specific named Brokered CP Companies. In the event a participating retailer's agreement with IBM terminates for any reason, IBM will give Client a pro-rated refund of unused amounts prepaid by Client based on the number of whole months remaining in Client's term for the impacted Cloud Service, and Client's right to use the Cloud Service will terminate. There will be no refund for unused partial months.