IBM Watson Real-Time Personalization

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 Watson Real-Time Personalization is a cloud-based personalization platform that helps marketers personalize content presented to its end users designed to drive higher engagement and conversion rates. The Cloud Service provides functionality to assist marketers in website personalization and testing, audience segmentation, and content rules aligned to end user behavior. The Cloud Service is available in the following package:

- IBM Watson Real-Time Personalization-Standard Edition

1.1 IBM Watson Real-Time Personalization-Standard Edition

The Cloud Service includes the following features:

- Behaviorally Targeted Content – Deliver rule-specified content to visitors and users based on real time behavior
- Natural Language Rules Authoring – Tool for creating rules that deliver personalized content
- Visual Website Personalization Management – "point and click" tools to implement and edit personalization rules and content in a live preview of the client website

Included in the subscription fees for the Cloud Service are the following:

a. 500,000 Personalization Events – A Personalization Event is registered each time the Cloud Service determines which content to deliver to an anonymous or known visitor, customer, or end user.

b. Ten (10) Authorized Users
c. Technical support
d. Online training content

1.2 Additional Offerings

1.2.1 IBM Watson Real-Time Personalization-AddOn-Personalization Events

Clients may purchase additional Personalization Events in 1,000 Event increments.

1.3 Set Up Service Offerings

IBM Watson Real-Time Personalization-AddOn-Onboarding Services is an optional set up service that is a combination of provisioning process guidance, configuration guidance, and product consulting to enable the use of IBM Watson Real-Time Personalization. An onboarding consultant is assigned to work with a Client representative for up to 12 hours, which includes advice and guidance on the implementation of IBM Watson Real Time Personalization tags for one website (by brand domain). The unique goals and requirements of the Client will be documented at the beginning of the service and from advisory discussions, will be used as the basis for configuration recommendations. The engagement will be concluded with a review of the tagging implemented by the Client along with any suggested changes, in addition to a summary containing the stated requirements and goals of the Client, final configuration recommendations, and tagging structure recommendations. This is a remotely delivered service.

2. Security Description

This Cloud Service follows IBM's data security and privacy principles for IBM SaaS 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 principles will not degrade the security of the Cloud Service.

Client recognizes this Cloud Service does not offer features for the protection of content that contains personal data, sensitive personal data or data subject to additional regulatory requirements. If Client includes such data in its content, it instructs IBM to process such data in accordance with this Agreement after determining 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 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 in place.

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 20 percent of one twelfth (1/12th) of the annual charge for the Cloud Service.

3.2 **Service Levels**

<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>99% – 99.949%</td>
<td>2%</td>
</tr>
<tr>
<td>98% – 98.999%</td>
<td>5%</td>
</tr>
<tr>
<td>97% – 97.999%</td>
<td>10%</td>
</tr>
<tr>
<td>Less than 97.000%</td>
<td></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 the contracted month, divided by the total number of minutes in the contracted month.

Example: 50 minutes total Downtime during contracted month

<table>
<thead>
<tr>
<th>43,200 total minutes in a 30 day contracted month</th>
</tr>
</thead>
<tbody>
<tr>
<td>- 50 minutes Downtime</td>
</tr>
<tr>
<td>43,150 minutes</td>
</tr>
<tr>
<td>= 2% Availability credit for 99.884% availability during the contracted month</td>
</tr>
</tbody>
</table>

4. **Technical Support**

Technical support for the Cloud Service is provided via email, online support system, Live Chat, and by phone. 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.
<table>
<thead>
<tr>
<th>Severity</th>
<th>Severity Definition</th>
<th>Response Time Objectives During Support Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>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.</td>
<td>Within 1 hour</td>
</tr>
<tr>
<td>2</td>
<td>Significant business impact: A service feature or function is severely restricted in its use or Client is in jeopardy of missing business deadlines.</td>
<td>Within 2 business hours</td>
</tr>
<tr>
<td>3</td>
<td>Minor business impact: Indicates the service or functionality is usable and it is not presenting a critical impact on operations.</td>
<td>Within 4 business hours</td>
</tr>
<tr>
<td>4</td>
<td>Minimal business impact: An inquiry or non-technical request.</td>
<td>Within 1 business day</td>
</tr>
</tbody>
</table>

5. **Entitlement and Billing Information**

5.1 **Charge Metrics**

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

a. **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.

b. **Event** – is a unit of measure by which the Cloud Service can be obtained. Event entitlements are based on the number of occurrences of a specific event related to the use of the Cloud Service. Event entitlements are specific to the Cloud Service and the type of event may not be exchanged, interchanged, or aggregated with other Event entitlements of another Cloud Service or type of event. Sufficient entitlements must be obtained to cover every event that occurs during the measurement period specified in a PoE or Transaction Document.

c. **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 **Set-Up Charges**

A one-time setup fee will be billed at the rate specified in the Transaction Document for each setup service ordered. One time setup services include:

- IBM Watson Real-Time Personalization-AddOn-Onboarding Service

All setup services expire 90 days from the date Client is notified by IBM that access to the Cloud Service is available regardless of whether all hours have been used.

5.3 **Overage Charges**

If actual usage of the Cloud Service in 12 months (one non-calendar year) exceeds 12 times the monthly entitlement specified in the PoE, an overage charge will be billed at the rate specified in the PoE or Transaction Document. Client will be invoiced in arrears for overage charges once the total aggregate has been reached. Such overage charges are due in addition to the base monthly entitlement charge.

If the Subscription Period is greater than 12 months, the aggregate total number of entitlements will be based on 12 monthly measuring periods. The aggregate total will reset to zero after the 12th monthly measuring period. Overage charges for the next 12 monthly measuring periods will not be due until the actual interaction usage exceeds the total number of entitled interactions in aggregate for such 12 monthly measurement periods.
If a Subscription Period is less than 12 months or less than 12 monthly periods remain in a Subscription Period, the number of monthly entitlements remaining in a subscription will be used for the total number of entitled interactions in aggregate.

For Clients leveraging ramp up periods, each period is treated in the same manner as the subscription period and the same principles apply.

5.4 **Pay per Use Charges**

Client may use IBM Watson Real-Time Personalization-Standard Edition measured by 1000 Events on a pay per use basis in addition to the subscription. Client will be charged for the amount of Events, as applicable, used over twelve months (a non-calendar year) at the rate specified in the Transaction Document.

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.