



CaaS Service Level Agreement

For purposes of this document, “Company” means International Business Machines Corporation including its applicable affiliates and subsidiaries (“IBM”).

I. For the Customer Management Portal Availability Standard, the Virtual Farm Availability Standard and the Server Availability Standard, the following definition will apply: A service covered by the applicable standard will be deemed not to be “Available” if (i) the CaaS hardware and/or software components of such Server, the CaaS Customer Management Portal or Virtual Farm is inaccessible.

1. Customer Management Portal Availability Standard.

1.1 Standard. Company will provide 99.99% CaaS Customer Management Portal Availability of the CaaS Customer Management Portal in any Service Month. The CaaS Customer Management Portal is deemed to be Available when Customer can access such portal.

1.2 Remedy. For Customer Management Portal availability of less than 99.99% in any Service Month;

1.2.1 For a Tier 1 Commitment Level Customer, Company will provide a credit equal to the Daily Charges for one average Service Day. The term “average Service Day” in this CaaS Service Level Agreement means the total of all Daily Charges in the Service Month that the applicable SLA standard was not met, divided by 30.

1.2.2 For a Tier 2-6 Commitment Level Customer, Company will provide a credit equal to 30% of the Customer’s selected Monthly Commitment Level Charge.

2. Virtual Farm Availability Standard.

2.1 Standard. For each Virtual Farm created by Customer, Company will provide 100% Availability of such Virtual Farm in any Service Day. A Virtual Farm is deemed to be Available when Customer can access Physical Server(s), Virtual Server(s), Virtual Router, or Virtual Load Balancer via the Bastion Host, and if no Bastion Host is configured, via the SAVM within such Virtual Farm.

2.2 Remedy. For Virtual Farm availability of less than 100% during a Service Day;

2.2.1 For a Tier 1 Commitment Level Customer, Company will provide a credit equal to the Daily Charges for one average Service Day.

2.2.2 For a Tier 2-6 Commitment Level Customer, Company will provide a credit equal to 30% of the Customer’s selected Monthly Commitment Level Charge.

3. Virtual Farms and Servers Provisioning Standard.

3.1 Standard. Company will provision Virtual Farm(s), Physical Server(s) and Virtual Server(s) created by Customer within the timeframes specified in Table 1 below. Provisioning timeframe will commence when Customer submits a provisioning request



via the Customer Management Portal. A Virtual Farm is deemed to be provided when a Customer can access the Virtual Load Balancer and/or can provision Physical Server(s) or Virtual Server(s) within such Virtual Farm via the Bastion Host, and if no Bastion Host is configured, via the SAVM. A Virtual or Physical Server is deemed to be provided when such Virtual or Physical Server is Available for Customer to load content via the Bastion Host, and if no Bastion Host is configured, via the SAVM.

Table 1: Provisioning Time per Service Type

Service Type	Provisioning Time
Virtual Farm	90 Minutes
Virtual Server	60 Minutes
Physical Server	90 Minutes

3.2 **Remedy.** For each Service Day a Virtual Farm or Physical or Virtual Server is not provisioned within the Provisioning Time specified in the table above.

3.2.1 For a Tier 1 Commitment Level Customer, Company will provide a credit equal to the Daily Charges for one average Service Day.

3.2.2 For a Tier 2-6 Commitment Level Customer, Company will provide a credit equal to 10% of the Customer's selected Monthly Commitment Level Charge.

4. **Physical and Virtual Server Availability Standard.**

4.1 **Standard.** For Customer purchasing Company Managed Virtual Farm Service Option, Company will provide 100% Availability for Physical Server(s) and/or Virtual Server(s) during a Service Day. Availability to Physical Server(s) and/or Virtual Server(s) is deemed to be provided when such Physical Server(s) or such Virtual Server(s) is Available to Customer to use a Company provided operating system.

4.2 **Remedy.** For Customer purchasing Company Managed Virtual Farm Service Option, if any Server within a Virtual Farm is Available less than 100% during a Service Day;

4.2.1 For a Tier 1 Commitment Level Customer, Company will provide a credit equal to the Daily Charges for two average Service Days.

4.2.2 For a Tier 2-6 Commitment Level Customer, Company will provide a credit based on Table 2 below.

Table 2: Physical and Virtual Server Availability

Availability	% of Customer's selected Monthly Commitment Level Charge
99.99% < 100%	10%
99.95% < 99.99%	20%



< 99.95%	30%
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5. Server Clustering Standard.

5.1 Standard. For a Customer purchasing Company Managed Virtual Farm Service Option and Server Clustering Option for two (2) or more Physical Servers, Company will provide 100% Availability for Clustered Servers during a Service Day. Availability to Clustered Servers is deemed to be provided when any servers configured in the Cluster are Available to Customer to execute Company provided operating system.

5.2 Remedy. For a Customer purchasing Company Managed Virtual Farm Service Option and Server Clustering Option, if Clustered Servers are Available less than 100% during a Service Day;

5.2.1 For a Tier 1 Commitment Level Customer, Company will provide a credit equal to the Daily Charges for three (3) average Service Days.

5.2.2 For a Tier 2-6 Commitment Level Customer, Company will provide a credit based on Table 3 below.

Table 3: Server Cluster Availability

Availability	% of Customer's selected Monthly Commitment Level Charge
99.99% < 100%	30%
99.95% < 99.99%	40%
< 99.95%	50%

6. Critical Patch Standard. For the Critical Patch Standard, Company is responsible for using commercially reasonable efforts to provide physical security of the Data Center from which the CaaS Services are provided and security of CaaS including virtual network devices, virtual and physical servers, and including the testing and deployment of security patches where appropriate. Security patches from various internet industry security resources and equipment manufacturers are reviewed on a regular basis for applicability to the Company environment and prioritized for deployment by Company Security. A "Critical Patch" will mean software or firmware patch that must be applied in order to maintain the security and integrity of the CaaS Service infrastructure and/or the Company Data Center from which the CaaS Service is being provided as determined by Company Security.

6.1 Critical Patch Standard. Security patches deemed critical by Company Security, i.e., a "Critical Patch", will be deployed to CaaS within 5 business days following a determination of suitability and proper functionality of such security patch for CaaS. All security patches, including Critical Patches are only provided to the Company infrastructure as well as Company Managed Farms.

6.2 Remedy. If Company fails to apply a patch deemed critical as determined by Company Security within 5 Business Days;



6.2.1 For a Tier 1 Commitment Level Customer, Company will provide a credit equal to the Daily Charges for two (2) average Service Days for each day Company exceeds the Critical Patch Standard until such patch is applied.

6.2.2 For a Tier 2- 6 Commitment Level Customer, Company will provide a credit equal to 10% of the Monthly Commitment Level Charge for each day Company exceeds the Critical Patch Standard until such patch is applied.

7. Backup and Restore Standards.

7.1 Backup Standard. For Customers purchasing optional CaaS Backup and Restore Service for a Server, Company will provide a complete incremental daily backup for such Server and a complete full weekly backup of Customer content loaded onto such Server.

7.2 Remedy. If Company fails to provide Daily Backup Service or Weekly Full Backup Service for a Server covered by optional CaaS Backup and Restore Service;

7.2.1 For a Tier 1 Commitment Level Customer, Company will provide a credit equal to the Daily Backup Charges for an average Service Day associated with the affected server not backed up.

7.2.2 For a Tier 2-6 Commitment Level Customer, Company will provide a credit equal to 5% of the Monthly Commitment Level Charge associated with the affected server not backed up.

7.3 Restoration Standard. In the event of a Server failure for which Customer has purchased optional CaaS Backup and Restore Service, Company will provide a restoral within six hours for backup data located in on-site storage or within 48 hours for backup data stored at an off-site location.

7.4 Remedy. If Company fails to initiate a restoral for a Server covered by optional CaaS Backup and Restore Service within six hours for backup data located in on site storage or within 48 hours for backup data stored at an off-site location following Customer's request for such restoral.

7.4.1 For a Tier 1 Commitment Level Customer, Company will provide a credit equal to the Daily Charges for three (3) average Service Days for each failure to initiate a restoral within the Restoration Standard time periods following the request of Customer.

7.4.2 For a Tier 2-6 Commitment Level Customer, Company will provide a credit equal to 20% of the Total Monthly Backup Charges for each failure to initiate a restoral within the Restoration Standard time periods following the request of Customer.

8. Severity Level Classification and Response Time Standard. Company detected and Customer reported incidents will be classified according to the following table (Table 4).

8.1 For Customer ordering Self Managed Virtual Farm Services, the severity level classification/severity response time periods listed in the table below are service level objectives only and Customer will not be eligible for, nor will Company pay credits for,



failure to meet such response times. Customer may contact Company only for issues related to (i) access and availability of the Customer Management Portal, (ii) access and availability of Customer’s Virtual Farm and (iii) functionality of the User Interface. For any other issues, Company will provide additional support services if requested, at the then applicable hourly Change Management charges depending on resource availability at the time of such request.

8.2 For Customers ordering Company Managed Virtual Farm Service Option, the severity level classification/severity response time periods is a service level standard and Customer will be eligible for credits if such response times are not met. Company’s performance with respect to response times will be assessed using trouble ticket information in Company’s case management system at the end of each Service Month. For the purposes of evaluating Company’s performance with respect to this section, (i) problem response is defined as the elapsed time from the creation of a trouble ticket to the receipt of such trouble ticket by a Company technician, and (ii) and resolution time is defined as the elapsed time from the creation of a trouble ticket to the time such trouble ticket is identified and recorded as resolved in Company’s case management system. Problems in each severity category will be assessed separately. Trouble tickets for scheduled maintenance and the time associated with such trouble tickets and for outages relating to Customer-provided applications and content or for outages caused by Customer acts or omissions will not be included in calculating Company’s performance for this commitment.

Table 4: Severity Level Classification/Severity Response

Severity 1 Incident PRO 1	Response Time: 15 Mins Resolution Time: 120 Mins	Virtual Farm and/or Server(s) Down; Failure of a Company-supported Application
Severity 2 Incident PRO 2	Response Time: 30 Mins Resolution Time: 240 Mins	Application/Performance Degradation
Severity 3 Incident PRO 3	Response Time: 60 Mins Resolution Time: 48 Hours	Noncritical Application or Service Failure
Severity 4 Problem PRO 4	Response Time: 120 Mins Resolution Time: 1 Week	Administrative Requests/Configuration Changes/Functional Requests

8.3 Severity Response Time Standard. For Customers ordering Company Managed Virtual Farm Service Option, Company will respond to and resolve within the timeframe specified in the Severity Level Classification/Severity Response Table 4 for 100% of the problems classified as the same severity during a Service Month.

8.4 Remedy. If Company fails to respond to and resolve within the timeframe specified in the Severity Level Classification/Severity Response Table 4 above for at least 100% of the problems classified as the same severity during a Service Month, Company will pay a credit as specified in Table 5 below.

Table 5: Severity Level Classification/Severity Credit Table



Service Level Standards	Credit
Severity 1 Incident Response Time: 15 Mins Resolution Time: 120 Mins	6% of the greater of (a) Customer's Monthly Commitment Level or (b) Daily Charges for the Service Month in which the incident occurred related to CaaS if Company does not respond to and resolve 100% of the Severity 1 Incidents within the Resolution time within a Service Month
Severity 2 Incident Response Time: 30 Mins Resolution Time: 240 Mins	4% of the greater of (a) Customer's Monthly Commitment Level or (b) Daily Charges for the Service Month in which the incident occurred related to CaaS if Company does not respond to and resolve 100% of the Severity 2 Incidents within the Resolution time within a Service Month
Severity 3 Incident Response Time: 60 Mins Resolution Time: 48 Hours	2% of the greater of (a) Customer's Monthly Commitment Level or (b) Daily Charges for the Service Month in which the incident occurred related to CaaS if Company does not respond to and resolve 90% of the Severity 3 Incidents within the Resolution time within a Service Month
Severity 4 Problem Response Time: 120 Mins Resolution Time: 1 Week	2% of the greater of (a) Customer's Monthly Commitment Level or (b) Daily Charges for the Service Month in which the incident occurred related to CaaS if Company does not respond to and resolve 90% of the Severity 4 Incidents within the Resolution time within a Service Month

9. Exclusions. A service covered by the applicable standard will be deemed not to be "Available" if failure to function or inaccessibility is not attributable to maintenance activities; acts or omissions of Customer; failure of Customer-supplied content or software; failure of virtual private networks; failure of equipment or services located at Customer's premises; networks not under Company's direct control, including the Internet; Vicious Attacks, Force Majeure Events (as defined in Customer's Agreement or at [Online Master Terms](#)); software that a manufacturer has designated as end-of-life and for which manufacturer's support (e.g., the provision of security patches and regression testing) has ended; or Customer's failure to comply with any of the terms of the AUP. In addition, to the extent that non-Availability of the SAVM was caused by Customer having concurrent connections greater than twenty-five (25) or Customer using its Non-Standard Administrative Privileges to change the standard default configuration provided by Company, no SLA remedy will be available to Customer.
10. Credits. Credits will not be applied to Customer's invoice if, at the time that any credit would otherwise be owed, Customer is in payment default (as defined in the Agreement), in violation of the Acceptable Use Policy, or in breach its obligations under the Agreement including any terms of this SLA. Customer must submit a written request for a credit to the Company Support Center or Customer's account manager within 30 calendar days following the Month for which Customer is requesting credit. Company will contact Customer



within 30 calendar days to submit its decision or to request additional information. If Company approves Customer's credit request, such credit will appear on Customer's monthly invoice following approval. The total amount of credits under this Service Level Agreement for all of the Service Level Standards combined for which Customer will be eligible in a Service Month shall be limited to the greater of (a) 40% of the Monthly Commitment Level charges for all customers with Tier 2-6 Commitment Level, or (b) 100% of the Monthly Commitment Level charges for customers with a Tier 1 Commitment Level or (c) total Daily Charges for the Service Month in which the incident occurred paid by Customer for CaaS.

11. Company Network Backbone Service Levels. For CaaS Customers who purchase Company-provided Internet bandwidth service the service levels below are applicable and are limited only to such internet bandwidth service.

- 11.1 Network Latency.

- 11.1.1 Network Latency SLA Commitment. Company provides a Network Latency SLA standard based on the average round-trip transmission time in milliseconds between Company-designated inter-regional transit backbone routers ("Hub Routers") in North America and between New York and London ("Transatlantic"). This Network Latency SLA commitment is limited to North America and Transatlantic. The specific Network Latency SLA commitment associated with North America and Transatlantic is posted at [Global Latency SLA](#).

- 11.1.2 Network Latency SLA Process. Latency will be measured by averaging sample measurements taken during a Service Month between Hub Routers in North America and Transatlantic. Each month's Network performance statistics relating to the Network Latency SLAs will be posted at [About Network Latency](#).

- 11.1.3 Network Latency SLA Remedy. If Company fails to meet the Network Latency Service Level in a Service Month for North America and Transatlantic, Customer's may request a credit for that month. The credit will consist of an amount equal to one day of the charges for the metered internet bandwidth. Credits will not be issued if failure to meet the Latency Service Level is attributable to reasons of Force Majeure (as defined in the Service Agreement).

- 11.2 Packet Delivery.

- 11.2.1 Packet Delivery SLA Commitment. Company provides a Network Packet Delivery SLA standard between Company-designated inter-regional transit backbone routers ("Hub Routers") in North America and Transatlantic. The Packet Delivery SLA commitment associated with North America and Transatlantic is posted at [Global Latency SLA](#).

- 11.2.2 Packet Delivery SLA Process. Packet Delivery is measured by averaging sample measurements taken during a Service Month between Hub Routers. In North America and Transatlantic Network Performance statistics relating to the Network Packet Delivery Service Level for North America and Transatlantic will be posted at [About Network Latency](#).

- 11.2.3 Packet Delivery SLA Remedy. If Company fails to meet any Packet



Delivery Service Level in a Service Month for North America and Transatlantic, Customer may request a credit for that month. The credit will consist of an amount equal to one day of the charges for the metered internet bandwidth. Credits will not be issued if failure to meet the Packet Delivery Service Level is attributable to reasons of Force Majeure (as defined in the Service Agreement).

11.3 Network Jitter.

- A. Network Jitter SLA Commitment (currently applicable only in the U.S.). Also known as delay variation, Jitter is defined as the variation or difference in the end-to-end delay between received packets of an IP or packet stream. Jitter is usually caused by imperfections in hardware or software optimization and varying traffic conditions and loading. Excessive delay variation in packet streams usually results in additional packet loss, which affects quality. Company's U.S. Network jitter performance commitment associated with North America is posted to [Global Latency SLA](#).
- B. Network Jitter SLA Process. Jitter will be measured by averaging sample measurements taken during a Service Month between Hub Routers for North America. Each month's Network performance statistics relating to the Network Jitter SLAs for North America will be posted at [About Network Latency](#).
- C. Network Jitter SLA Remedy. If Company fails to meet the Jitter Service Level for North America in a Service Month; Customer may request a credit for that month. The credit will consist of an amount equal to one day of the charges for the metered internet bandwidth. Credits will not be issued if failure to meet the Jitter Service Level for North America is attributable to reasons of Force Majeure (as defined in the Service Agreement).