IBM Emptoris Supplier Lifecycle Management on Cloud

The Terms of Use ("ToU") are 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/**.

The complete agreement between the parties consists of 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 (the "Agreement") and the ToU. Should a conflict arise between the General Terms and these SaaS Specific Offering Terms, these SaaS Specific Offering Terms will prevail over the General Terms.

Customer may use the IBM SaaS only if Customer first accepts the ToU. By ordering, accessing or using the IBM SaaS Customer agrees to the ToU. By clicking an "Accept" button after being presented with these SaaS Specific Offering Terms, you are also accepting the General Terms.

IF YOU ARE ACCEPTING THE ToU ON BEHALF OF CUSTOMER, YOU REPRESENT AND WARRANT THAT YOU HAVE FULL AUTHORITY TO BIND CUSTOMER TO THE ToU. IF YOU DO NOT AGREE WITH THE ToU OR DO NOT HAVE FULL AUTHORITY TO BIND CUSTOMER TO THE ToU THEN DO NOT IN ANY MANNER USE OR PARTICIPATE IN ANY OF THE FUNCTIONALITY OFFERED AS PART OF THE IBM SAAS.

Part 1 – IBM Terms

1. IBM SaaS

This ToU is for the following IBM SaaS offerings:

- IBM Emptoris Supplier Lifecycle Management on Cloud
- IBM Emptoris Supplier Lifecycle Management on Cloud Read Only
- IBM Emptoris Supplier Lifecycle Management on Cloud Supplier Qualification
- IBM Emptoris Supplier Lifecycle Management on Cloud Supplier Qualification for Non-Production
- IBM Emptoris Supplier Lifecycle Management on Cloud Supplier Evaluation
- IBM Emptoris Supplier Lifecycle Management on Cloud Supplier Evaluation for Non-Production
- IBM Emptoris Supplier Lifecycle Management on Cloud Supplier Classification
- IBM Emptoris Supplier Lifecycle Management on Cloud Supplier Classification for Non-Production
- IBM Emptoris Supplier Lifecycle Management on Cloud Supplier Development
- IBM Emptoris Supplier Lifecycle Management on Cloud Supplier Development for Non-Production
- IBM Emptoris Supplier Lifecycle Management on Cloud Supplier Risk Management
- IBM Emptoris Supplier Lifecycle Management on Cloud Supplier Risk Management for Non-Production

2. Charge Metrics

The IBM SaaS offering is sold under the following charge metric(s):

a. Authorized User is a unit of measure by which the IBM SaaS may be obtained. An Authorized User is a unique person who is given access to IBM SaaS. Customer must obtain separate, dedicated entitlements for each Authorized User accessing the IBM SaaS offering in any manner directly or indirectly (for example: via a multiplexing program, device, or application server) through any means during the measurement period specified in Customer's Proof of Entitlement (PoE) or Transaction Document. An entitlement for an Authorized User is unique to that Authorized User and may not be shared, nor may it be reassigned other than for the permanent transfer of the Authorized User entitlement to another person.

b. 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 Customer's Proof of Entitlement (PoE) or Transaction Document.

3. Charges & Billing

3.1 Billing Options

The amount payable for the IBM SaaS offering is specified in a Transaction Document. The billing options for the IBM SaaS subscription fees are as follows:

a. Entire commitment amount upfront

b. Monthly (in arrears)

c. Quarterly (upfront)

d. Annually (upfront)

The selected billing option will be valid for the length of the term specified in a PoE or a Transaction Document. The amount payable per billing cycle will be based on the annual subscription fee and number of billing cycles in a year.

3.2 Partial Month Charges

The Partial Month charge is a pro-rated daily rate that will be charged to Customer. The Partial Month Charges are calculated based on the remaining days of the partial month starting on the date Customer is notified by IBM that their access to the IBM SaaS offering is available.

4. Account Creation and Access

When IBM SaaS Users register for an account ("Account"), IBM will provide the IBM SaaS User with an Account identification and password. Customer is responsible for ensuring that each IBM SaaS User manages and keeps their Account information current.

Customer is responsible for ensuring that each IBM SaaS User protects their Account identification and password and controls who may access an IBM SaaS User Account or use any IBM SaaS offering on Customer's behalf.

5. Renewal of a Subscription Period

5.1 Automatic Renewal of a Subscription Period

If Customer's PoE designates the subscription renewal as automatic, Customer may renew Customer's expiring IBM SaaS Subscription Period by written authorization to renew (e.g., order form, order letter, purchase order), prior to the expiration date, in accordance with the terms of the Agreement.

IF IBM DOES NOT RECEIVE SUCH AUTHORIZATION BY THE EXPIRATION DATE, THE EXPIRING IBM SaaS SUBSCRIPTION PERIOD IS AUTOMATICALLY RENEWED FOR EITHER A ONE YEAR TERM OR THE SAME DURATION AS THE ORIGINAL TERM UNLESS, PRIOR TO THE EXPIRATION DATE, IBM RECEIVES, EITHER DIRECTLY FROM CUSTOMER OR THROUGH CUSTOMER'S RESELLER, AS APPLICABLE, CUSTOMER'S WRITTEN NOTIFICATION THAT CUSTOMER DOES NOT WANT TO RENEW. OTHERWISE, CUSTOMER AGREES TO PAY SUCH RENEWAL CHARGES.

5.2 Continuous Billing

If Customer's PoE designates the subscription renewal as billing will continue following the end of the Subscription Period, Customer will continue to have access to the IBM SaaS and will be billed for usage of the IBM SaaS on a continuous billing basis. To discontinue use of the IBM SaaS and stop the continuous billing process, Customer must provide IBM with ninety (90) days written notice requesting cancellation of their IBM SaaS. Upon cancellation of Customer's access to the IBM SaaS, Customer will be billed for any outstanding access charges through the month in which the cancellation took effect.

5.3 Customer Renewal Required

If Customer's PoE designates the subscription renewal as one that terminates, the IBM SaaS offering will not renew at the end of the initial Subscription Period. In order to continue use of the IBM SaaS beyond the initial Subscription Period, Customer must obtain a new subscription for the IBM SaaS. Please contact an IBM sales representative or Customer's reseller, as applicable, to obtain a new IBM SaaS subscription.

6. Technical Support

Technical support is provided for the IBM SaaS offering during the Subscription Period. Such technical support is included with the IBM SaaS and is not available as a separate offering.

Technical Support information can be found at the following URL:

http://www.ibm.com/software/procurement-solutions/emptoris/support/

E-mail and phone support access is also described at the technical support web site.

7. IBM SaaS Offering Additional Terms

7.1 Third Party Site and Services

If Customer or an IBM SaaS User transmits Content to a third party website or other service that is linked to or made accessible by the IBM SaaS offering, Customer and the IBM User provide IBM with the consent to enable any such transmission of Content, but such interaction is solely between Customer and the third party website or service. IBM makes no warrantees or representations about such third party sites or services, and shall have no liability for such third party sites or services.

7.2 Read Only Limitation

If the IBM SaaS offering is designated as "Read Only", Customer is only permitted to access and search repositories, perform and approve release tasks, receive risk alerts, view and execute reports, and view and respond to qualification assessments, performance evaluations and supplier development actions.

7.3 Non-Production Limitation

If the IBM SaaS offering is designated as "Non-Production", the IBM SaaS offering can only be used as part of the Customer's non-production activities, including but not limited to testing, performance tuning, fault diagnosis, benchmarking, staging, quality assurance activity and/or developing internally used additions or extensions to the IBM SaaS using published application programming interfaces. Customer is not authorized to use any part of the IBM SaaS for any other purposes without acquiring the appropriate production entitlements.

7.4 Cumulative Entitlements – IBM Emptoris Supplier Lifecycle Management on Cloud

Customers must obtain an Instance entitlement, as well as sufficient Authorized User entitlements to cover the IBM SaaS Users of IBM Emptoris Supplier Lifecycle Management on Cloud.

7.5 Entitlements Not Required

Administrative Users, anonymous users and external users are included in the IBM SaaS offering. Customer is not required to obtain Authorized User entitlements for Administrative Users of the IBM SaaS.

An administrative user is someone who is only responsible for maintaining/updating administration functions of the product. This can include creating/updating templates, questionnaires, scorecards, types, notification templates, configuring user permissions, organizations, data sources, groups, roles, workflows, categories, and master supplier records.

If an administrative user does non-administrative activities they require an entitlement.

An anonymous user is an account that cannot login and is only used to define permissions for anonymous tasks in workflows.

An external user is someone associated with an external party/supplier and can use product functions like viewing/updating assessments, viewing/performing evaluations or viewing/participating in development actions. Customer will remain responsible for the actions of any external user whom Customer authorizes to access the IBM SaaS offering.

Part 2 – Country-unique Terms

The following terms replace or modify the referenced terms in Part 1. All terms in Part 1 that are not changed by these amendments remain unmodified and in effect. This Part 2 is comprised of amendments to this Terms of Use and is organized as follows:

- Americas country amendments,
- Asia Pacific country amendments; and
- Europe, Middle East, and Africa country amendments.

AMERICAS COUNTRY AMENDMENTS

BELIZE, COSTA RICA, DOMINICAN REPUBLIC, EL SALVADOR, HAITI, HONDURAS, GUATEMALA, NICARAGUA, AND PANAMA

5.1 Automatic Renewal of a Subscription Period

*The following replaces the paragraph that begins **"IF IBM DOES NOT RECEIVE SUCH AUTHORIZATION BY THE EXPIRATION DATE"**:*

IBM will renew, for an additional payment, the expiring IBM SaaS Subscription Period for a one year term at the same price and billing frequency, if IBM or Customer's reseller receives (1) Customer's order to renew (e.g., order form, order letter, purchase order) prior to the expiration of the current Subscription Period or (2) Customer's payment within 30 days of Customer's receipt of the IBM SaaS invoice for the next term.

ARGENTINA, BRAZIL, CHILE, COLUMBIA, ECUADOR, MEXICO, PERU, URUGUAY, VENEZUELA

5.1 Automatic Renewal of a Subscription Period

Does not apply for Public Bodies who are subject to the applicable Public Sector Procurement Legislation.

BRAZIL

5.1 Automatic Renewal of a Subscription Period

The following is added after the second paragraph:

The transaction document will describe the process of the written communication to Customer containing the applicable price and other information for the renewal period.

UNITED STATES OF AMERICA

5.1 Automatic Renewal of a Subscription Period

*The following sentence is added at the end of the paragraph that begins "**IF IBM DOES NOT RECEIVE SUCH AUTHORIZATION BY THE EXPIRATION DATE**" in 5.1 Automatic Renewal of a Subscription Period:*

CUSTOMER MAY TERMINATE THE IBM SaaS AT ANY TIME AFTER THE END OF THE INITIAL SUBSCRIPTION PERIOD ON ONE MONTH'S WRITTEN NOTICE, EITHER DIRECTLY TO IBM OR THROUGH CUSTOMER'S IBM RESELLER, AS APPLICABLE, IF IBM HAS NOT RECEIVED CUSTOMER'S WRITTEN AUTHORIZATION (e.g., order form, order letter, purchase order) TO RENEW CUSTOMER'S EXPIRING IBM SaaS SUBSCRIPTION PERIOD. IN SUCH EVENT, CUSTOMER MAY OBTAIN A PRORATED REFUND.

ASIA PACIFIC COUNTRY AMENDMENTS

BANGLADESH, BHUTAN, AND NEPAL

5.1 Automatic Renewal of a Subscription Period

The following replaces the paragraph that begins ***"IF IBM DOES NOT RECEIVE SUCH AUTHORIZATION BY THE EXPIRATION DATE"*** *in 5.1 Automatic Renewal of a Subscription Period:*

IBM will renew, for an additional payment, the expiring IBM SaaS Subscription Period for a one year term at the same price and billing frequency, if IBM or Customer's reseller receives (1) Customer's order to renew (e.g., order form, order letter, purchase order) prior to the expiration of the current Subscription Period or (2) Customer's payment within 30 days of Customer's receipt of the IBM SaaS invoice for the next term.

EUROPE, MIDDLE EAST, AFRICA (EMEA) COUNTRY AMENDMENTS

BAHRAIN, KUWAIT, OMAN, QATAR, SAUDI ARABIA, AND UNITED ARAB EMIRATES

5.1 Automatic Renewal of a Subscription Period

The following replaces the paragraph that begins ***"IF IBM DOES NOT RECEIVE SUCH AUTHORIZATION BY THE EXPIRATION DATE"*** *in 5.1 Automatic Renewal of a Subscription Period:*

IBM will renew, for an additional payment, the expiring IBM SaaS Subscription Period for a one year term at the same price and billing frequency, if IBM or Customer's reseller receives (1) Customer's order to renew (e.g., order form, order letter, purchase order) prior to the expiration of the current Subscription Period or (2) Customer's payment within 30 days of Customer's receipt of the IBM SaaS invoice for the next term.

Appendix A

Features and Components

IBM Emptoris Supplier Lifecycle Management on Cloud is a modular, scalable solution that provides support for supplier management needs. The Emptoris Supplier Lifecycle Management on Cloud consists of the core functionality and any combination of the following additional offerings: Supplier Qualification, Supplier Evaluation, Supplier Classification, Supplier Development and Supplier Risk Management.

IBM Emptoris Supplier Lifecycle Management on Cloud includes:

1. Core Functionality

Master Data – allows maintaining a hierarchical supplier, category, organization and region structure to be used in the business module processes, analysis and reporting.

SLM 360 – presents module information concerning a supplier, category, organization or region.

Persons – allows managing contact information of internal and external participants and stakeholders.

Users & User Groups – allows managing internal and external user accounts and allows clustering user accounts into internal and external user groups.

Permissions – gives the ability to define permissions and restrictions for users or user groups to grant access to data objects, menus and tasks in the application.

Follow-Up Actions – allows starting the process of a module based on another business object of another module and maintaining references of the follow-ups created.

Any combination of the following may also be purchased:

2. Supplier Qualification

Supplier Qualification provides a structured framework for all of the processes required for efficiency and data accuracy in the on-boarding and maintenance of your organization's supplier base. In order to promote both efficiency and data accuracy, suppliers can load and update their data. A variety of functions like flexible Supplier Profile definitions, together with advanced analytics capabilities facilitates the task of segmenting and identifying appropriate suppliers.

- **Supplier Registration** – allows creating and managing registrations for new suppliers, a process covering registrations by invitation, anonymously or internal quick registration.
- **Supplier Clearing** – clearing process for new registrations. Gives the user the ability to accept or discard registrations upon acceptance a new supplier record can be generated.
- **Supplier Assessment** – gives the ability to create and manage assessments for suppliers or internal users to provide and update information in questionnaires.
- **Supplier Master Data Update** – transfer of answers to update the suppliers master data
- **Assessment Series** – allows to automatically and periodically generate assessments for an automated assessment process.
- **Answer Consequences** – the system can be configured to mark critical or K.O. answers for special attention and can send notifications or follow-up assessments based on answers.
- **Requirement based Approval** – gives the ability to define requirements and possible result status that are measured for a supplier based on the answer of assessments.
- **Research and Comparison** – gives the ability to search for assessments based on answers to questions and compare suppliers on the answers to questions.
- **Question Pool** – store all chapters and questions (of type text, number, date, multiple-choice, entity select, attachment) used in questionnaires in a central pool.

- **Questionnaire Design** – allows multiple flexible questionnaires with giving the ability to restrict certain chapters or questions to be only viewed or only edited by internal users.
- **Multi-Lingual** – supports questionnaires for an international supplier base in several languages.
- **Notifications** – invitation and reminder E-mail notifications to support the process
- **Task Lists** – personalized task lists with status
- **Workflow and Type Support** – qualification processes are based on a workflow engine. Types give the ability to use multiple kinds of registration and assessment processes with different workflows and notification sets.

3. Supplier Evaluation

Supplier Evaluation gives the ability to assess and control the performance of your suppliers. It allows responding to any weaknesses in a timely manner and to nurture and enhance the supplier's strategic strengths.

- **Performance Evaluation** – allows creating and managing cross-functional supplier performance evaluations by categories and/or organizations on a defined time period based on a scorecard.
- **Reverse Evaluation** – allows creating and managing supplier self-evaluations by categories and/or organizations on a defined time period based on a scorecard.
- **Single/Multiple Evaluators** – criterion evaluated by one or more experts with the possibility of different weightings for each expert
- **Coordination** – gives the initiator the ability to assign coordinators instead of evaluators. Coordinators will receive a task to select evaluators for their assigned criteria.
- **Role Support** – gives the ability to define roles for certain criteria in a scorecard to simplify evaluator assignment to criteria by an initiator of an assessment.
- **Automatic Answering** – answers for criterion can be derived from stored information from external sources (hard facts)
- **Evaluation Series** – allows to automatically and periodically generate evaluations for an automated performance evaluation process.
- **Evaluation Release** – gives a defined set of users the option to review the result of an evaluation, sending it back for corrections or releasing it for analysis and reporting.
- **Dependent Scorecards** – gives the ability to link scorecards and therefore use the results of performance evaluations based on one scorecard to answer criteria of performance evaluations based on another scorecard.
- **Strategic Importance** – allows creating and managing strategic importance evaluations, which allow evaluating the future importance of the supplier based on a simplified evaluation process and scorecard.
- **Analysis and Reporting** – allows to view and search for released performance evaluations and strategic importance evaluations. Gives the user the ability to create reports of detailed views or comparisons of performance evaluations.
- **Criterion Pool** – store all chapters and criteria (of type text, number, and multiple-choice) used in scorecards in a central pool.
- **Scorecard Design** – allows defining multiple flexible scorecards with giving the ability to define weights on chapter and criterion level.
- **Multi-Lingual** – supports scorecards for an international user base in several languages.
- **Notifications** – Invitation and reminder E-mail notifications to support the process
- **Task Lists** – personalized task lists with status
- **Workflow and Type Support** – evaluation processes are based on a workflow engine. Types give the ability to use multiple kinds of performance evaluation and strategic importance processes with different workflows and notification sets.

4. Supplier Classification

Supplier Classification structures and classifies both existing and potential suppliers into service classes based on essential indicators such as supplier evaluation results and the strategic value rating. This classification can then be used as the basis for the active development and advancement of the supplier portfolio.

- **Supplier Segmentation** – allows creating and managing supplier classifications to determine the class of a supplier specific for a scope of categories and/or organizations.
- **Current Results** – active supplier classifications show the current classification given to the supplier in the defined scope.
- **Analysis and Reporting** – allows to view and search for active supplier classifications. Gives the user the ability to create reports on classification results.
- **Standardized Strategies** – define for each class strategies on further actions for this supplier.
- **Multi-Lingual** – supports scorecards for an international user base in several languages
- **Task Lists** – personalized task lists with status
- **Workflow and Type Support** – classification processes are based on a workflow engine. Types give the ability to use multiple kinds of classification processes with different workflows.

5. Supplier Development

Supplier Development includes planning, implementation, and control of actions and activities in optimization projects. It gives the ability to determine the development goals for the suppliers, define dates and responsibilities and control the advancement using a sustainable strictness degree system.

- **Development Actions** – allows creating and managing actions specific scope and focus (suppliers, categories, organizations and/or regions) and the planned and actual time they are scheduled.
- **Tasks Support** – gives the ability to define break down an action into smaller task assignable to internal and external users for execution.
- **Task Execution** – gives internal and external users the ability to execute tasks assigned to them.
- **Projects and Work Packages** – allows grouping actions into projects and work packages to provide a better overview of all actions concerning a specific area.
- **Analysis and Reporting** – allows to view and search for released projects and actions. Gives the user the ability to create reports of detailed views of projects.
- **Standard Actions** – gives the ability to create predefined actions and tasks that can be used as template upon creation of new actions.
- **Notifications** – Invitation and reminder E-mail notifications to support the process
- **Task Lists -** personalized task lists with status
- **Workflow and Type Support** – development processes are based on a workflow engine. Types give the ability to use multiple kinds of action processes with different workflows and notification sets.

6. Supplier Risk Management

Supplier Risk Management facilitates a structured and holistic process to recognize, control, and assess supplier-related risks in the procurement process. Comprehensive reporting and analysis functions, coupled with an automatic early warning system can track and recognize potential risks and proactively trigger appropriate measures to help avoid and mitigate risk.

- **Risk Assessment** – allows creating and managing risk assessments scoped by suppliers, categories, organizations and/or regions based on a risk scorecard.
- **Automatic Answering** – answers for indicators can be automatically updated based on stored information from external sources (hard facts)
- **Risk Indicators** – gives the ability to view the result of a risk assessment summarized in the indices “risk index”, “likelihood” and “impact”.
- **Formula Support** – gives the ability to calculate indices from indicators in a risk assessment by using formulas.
- **Current Results** – active supplier classifications show the current classification given to the supplier in the defined scope.
- **Thresholds and Highlighting** – gives the ability to define target and tolerance upper and/or lower thresholds for indicators and indices. Based on these thresholds results are highlighted.

- **Analysis and Reporting** – allows to view and search for active risk assessments. Gives the user the ability to create reports on risk assessment results.
- **Indicator Pool** – store all indicators (of type number and multiple-choice) used in risk scorecards in a central pool.
- **Scorecard Design** – allows to define multiple flexible risk scorecards
- **Multi-Lingual** – supports scorecards for an international user base in several languages
- **Task Lists** – personalized task lists with status
- **Workflow and Type Support** – risk processes are based on a workflow engine. Types give the ability to use multiple kinds of risk processes with different workflows.