



Solution Supplement

This Solution Supplement (“Solution Supplement”) when referenced as part of a Solution will govern the transaction by which Customer acquires a Solution from IBM. The Solution scope, responsibilities of the parties and any additional terms are in a document called “Solution Description” and the specific details of the transaction including Solution Component selections and charges for a Solution will be set forth in a document called “Solution Schedule”. IBM Solution documents and Solution Component Agreements can be found at <http://ibm.com/terms>. Each Solution transaction is separate and independent from other Solution transactions. Customer may be referred to as “you”, “your”, “Client”, or “Licensee” in any such documents.

The parties accept the Solution terms by signing the applicable Solution Schedule (by hand or electronically).

1. Definitions

Definitions for Machines, Machine Code, Appliances, Programs, Materials, Services and other terms used in this Solution Supplement and not defined herein are defined in the applicable Solution Component Agreement

Solution – the installation and integration of Solution Components designed to operate together to provide a specific solution function including any support, as described in the Solution Description and related Solution Schedule.

Solution Availability Date – the date IBM makes the integrated Solution available to Customer as described in the Solution Description.

Solution Component – any Machine, Appliance, Program, Material, or Service IBM provides as part of an integrated Solution or to support an integrated Solution.

Solution Component Agreements – the IBM or third party terms under which Solution Components are provided.

Solution Support Period – the period of time during which IBM provides Solution support services for an integrated Solution

2. Solution

IBM will provide, integrate, and support the Solution as described in the Solution Description and Solution Schedule. Specific terms applicable for the acquisition and licensing of Solution Components are set forth in the referenced Solution Component Agreements, or third party license agreement(s), as applicable and as supplemented by this Solution Supplement.

3. Solution Component Agreements

IBM will provide Machines, including Machine Code, and Services under the terms of the applicable IBM Customer Agreement (or equivalent agreement in effect between the parties) and any applicable Attachment or other IBM agreement as referenced in the Solution Schedule. IBM Programs will be provided under the terms of the International Passport Advantage Agreement (or equivalent agreement in effect between the parties) and applicable International IBM Program License Agreement or IBM Customer Agreement, as applicable.

Third Party Programs and software, including open source software, as applicable, provided as part of a Solution are licensed under the terms of the applicable third party license agreement as referenced in the Solution Schedule. The third party license agreement is an agreement between Customer and the third party software owner or rights holder only. IBM is not a party to any such third party agreement. Customer receives no warranties, indemnities or express or implied patent or other license from IBM with respect to any third party software. IBM’s provision of third party software as part of a Solution does not constitute a distribution of the third party software by IBM.

4. Changes to Solution Terms

Customer and IBM agree to use a Project Change Request (“PCR”) for communicating and documenting a change to the Solution terms. A PCR will describe the change and rationale for the change. The IBM Project Manager and Customer Point of Contact will review the proposed change and recommend it for

implementation or reject it. IBM will document the effect of the change in the PCR or a written change authorization, including impact to charges, schedule, and other Solution terms. The PCR or change authorization must be signed by authorized representatives from both Customer and IBM to authorize implementation of a change, provided, however, that neither Customer nor IBM will unreasonably withhold or delay approval for a change. Until a change is agreed in writing, both Customer and IBM will continue to act in accordance with the most current description of the Solution terms.

IBM may change the terms for any ongoing or recurring Service and Customer accepts such changes described in the applicable Solution Component Agreement.

5. Limitation of Liability

IBM's entire liability for all claims in the aggregate arising from or related to the Solution, or otherwise arising under the Solution terms will not exceed the amount of any actual direct damages up to the greater of \$100,000 or the equivalent in local currency, or the charges (if recurring, 12 months' charges apply) for the Solution that is the subject of the claim. All other terms set forth in the "Limitation of Liability" provision of the applicable Solution Component Agreement remains in full force and effect and apply to the Solution to the full extent they are not prohibited by applicable law without the possibility of contractual waiver.

All other terms, including "Items for Which IBM Is Not Liable" remain in full force and effect.

6. Termination

Customer may terminate the Solution at any time by providing 30 days written notice. IBM will cancel orders for any Solution Component Products not yet shipped. Customer agrees to pay IBM for i) charges for Solution Components IBM provides through the effective date of termination, and ii) reimbursable expenses IBM incurs through effective date of termination. If Customer terminates without cause for which IBM is liable, Customer also agrees to pay any applicable adjustment or termination charges specified in the Solution Schedule or applicable Solution Component Agreement and expenses IBM incurs as a result of such termination (which IBM will take reasonable steps to mitigate).

Either party may terminate the Solution if the other materially fails to meet its obligations concerning the Solution.

7. Solution Warranty

A Solution Warranty, if any, is described in the Solution Description. Individual Solution Component warranties are available per the terms of the applicable Solution Component Agreement.

8. Additional Terms and Conditions

8.1 Laws, Regulations and Statutes

Customer will be responsible for the identification of, interpretation of, and compliance with, any applicable laws, regulations, and statutes that affect Customer's existing systems, applications, programs, or data to which IBM will have access during the provision of the Solution including applicable data privacy, export, import laws and regulations, and product safety and regulatory compliance for non-IBM products including those recommended by IBM. Customer is solely responsible for obtaining advice of competent legal counsel as to the identification and interpretation of any relevant laws, rules and regulations that may affect Customer's business and any actions Customer may need to take to comply with such laws. IBM makes no representations or warranties with respect to product safety or regulatory compliance of non-IBM products.

IBM and Customer will each comply with applicable export and import laws and regulations, including those of the United States that prohibit or limit export for certain uses or to certain end users, and each of us will cooperate with the other by providing all necessary information to the other, as needed for compliance. Each of us shall provide the other with advance written notice prior to providing the other party with access to data or applications requiring an export license.

Customer is responsible for determining that any non-IBM products and their integration are in compliance with national building and installation codes and other laws and regulations, including product safety regulations.

Customer will obtain any necessary consents and take any other actions required by applicable laws, including but not limited to data privacy laws, prior to disclosing any of its employee information or other personal information or data to IBM. Customer also agrees that with respect to data that is transferred or hosted outside of the Philippines, Customer is responsible for ensuring that all such data transmitted outside of the Philippines adheres to the laws and regulations governing such data.

8.2 Business Contact Information

Customer agrees that IBM may process the business contact information of Customer's employees and contractors and information about Customer as a legal entity (contact information) in connection with IBM Products and Services or in furtherance of IBM's business relationship with Customer. This contact information can be stored, disclosed internally and processed by International Business Machines Corporation and its subsidiaries, Business Partners and subcontractors wherever they do business, solely for the purpose described above provided that these companies comply with applicable data privacy laws related to this processing. Where required by applicable law, Customer has notified and obtained the consent of the individuals whose contact information may be stored, disclosed internally and processed and will forward their requests to access, update, correct or delete their contact information to IBM who will then comply with those requests.

8.3 Customer Resources

Before making available any facilities, software, hardware or other resources, Customer is responsible for obtaining any licenses or approvals related to these resources that may be necessary for IBM and its subcontractors to provide the Solution. IBM will be relieved of its obligations that are adversely affected by Customer's failure to promptly obtain such licenses or approvals. Customer agrees to reimburse IBM for any reasonable costs and other amounts, including costs of litigation and settlements that IBM may incur from Customer's failure to obtain these licenses or approvals.

Customer will be responsible for i) any data and the content of any database Customer makes available to IBM in connection with a Solution, ii) the selection and implementation of procedures and controls regarding access, security, encryption, use, and transmission of data, and iii) backup and recovery and integrity of the database and any stored data. This security will also include any procedures necessary to safeguard the integrity and security of software and data used in a Solution from access by unauthorized personnel. IBM's responsibilities regarding such data or database, including any confidentiality and security obligations, are governed by the Solution terms and any applicable confidentiality agreement, and are subject to the Limitation of Liability terms herein.

9 Governing Law and Jurisdiction

The laws of the Philippines will govern, construe, and enforce all of the rights, duties, and obligations arising under, or relating in any manner to, the subject matter of this Agreement, notwithstanding any conflicts of law principles.

Any proceeding regarding the rights, duties, and obligations arising under, or relating in any manner to, the subject matter of this Agreement will be brought in the Philippines.