



Hosted Managed Services Service Level Warranty Addendum

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This Service Level Warranty Addendum describes SAS' Service Level Warranty for System availability and Customer's remedy for System Downtime for Hosted Managed Services or Managed Application Services, as applicable.

1. Service Level Warranty for Hosted Managed Services

1.1 Definitions.

1.1.1 **"Burn-in Period"** means a period of sixty (60) days following the date on which SAS declares the production System to be live.

1.1.2 **"Planned Outage"** means any scheduled outage resulting in unavailability of the System maintenance activities Internet data center or other reasons.

1.1.3 **"Service Credit"** means the credit provided to Customer for any calendar month in which System Availability is not achieved. Service Credits are calculated as set forth in the Section entitled, *Service Credits*.

1.1.4 **"Service Level Warranty"** means the warranty that the production System will be available to Customer as described in the *Service Level Warranties* provision of this Addendum.

1.1.5 **"System Availability"** means the percentage of time during each calendar month when the System is available to Customer, excluding any period of unavailability due to a Planned Outage, any outage due to Customer Materials or any outage beyond SAS' reasonable control.

1.1.6 If this Addendum is incorporated into an agreement for Managed Application Services, then Hosted Managed Services means Hosting Services for the purposes of interpreting this Addendum.

1.2 **Service Level Warranty.** SAS' Service Level Warranty applies to production Systems only and is dependent on Customer submitting all required Customer Materials to SAS in accordance with the Agreement. SAS will monitor the Hosted Managed Services and will determine System Availability. SAS will monitor the Service Level Warranty during the Burn-in Period but will not make Service Level Credits available until the end of the Burn-in Period.

1.3 Applicability.

1.3.1 The Service Level Warranty will not apply to: (a) any modification of the System by anyone other than SAS or SAS' representatives; (b) Additional Services or technical support; or (c) telecommunications lines. The Service Level Warranty does not apply to any unavailability of the System or performance issues that result from or are related to: (a) a Force Majeure cause; (b)

actions or inactions of Customer or any third parties outside of SAS' control including, but not limited to third party provider(s); (c) Customer's equipment and/or third party equipment not within the sole control of SAS or its representatives; (d) Customer's failure to comply with the System usage rules; (e) Customer Materials; or (f) Third Party Products.

1.3.2 SAS' provision of the Hosted Managed Services or Additional Services depends on the timely availability of Customer Materials. If SAS is unable to perform any obligation under the Order Agreement due to unavailable or altered Customer Materials, SAS will notify Customer and Customer will provide the Customer Materials. SAS will process the Customer Materials or corrected Customer Materials as soon as commercially practicable after they become available. SAS will notify Customer once any delays in the availability of the System are resolved. Any delays in the availability of the System occurring as a result of the Customer Materials will not be deemed a breach of the Service Level Warranty and SAS will not be liable for providing Customer with any Service Credits pursuant to the *Service Credits* section.

1.3.3 Any unavailability of the System relating to the *Planned Outages* or *Temporary Service Suspensions* sections below are not a breach of the Service Level Warranties and SAS will not provide Customer with any Service Credits.

1.4 **Planned Outages.** SAS will use reasonable efforts to provide Customer with at least seven (7) days' notice prior to a Planned Outage.

1.5 **Temporary Service Suspensions.** SAS may temporarily suspend Customer's access to any portion or all of the System, including the Customer Materials, if SAS reasonably determines that:

(a) a threat, attack, denial of service attack, or other event creates a risk to the System, the internet data center, any party or a third party;

(b) Customer's use of the System or the Customer Materials creates a risk to the System, the internet data center, any party or third party, or may subject SAS or any third party to liability;

(c) Customer uses the System for fraudulent or illegal activities or any activity prohibited by the System usage rules;

(d) subject to applicable law, Customer ceases to continue its business in the ordinary course, attempts to make an assignment for the benefit of

creditors or similar disposition of its assets, or becomes the subject of any bankruptcy, reorganization, liquidation, dissolution or similar proceeding;

(e) Customer uses the System in breach of the Agreement;

(f) there is any unauthorized access to or use of the System;

(g) Customer is in default of its payment obligations;

(h) there is an unusual spike or increase in Customer's use of the System, which gives rise to a reasonable suspicion of unauthorized use of the System; or

(h) applicable law prohibits SAS from providing the System to Customer.

SAS will use commercially reasonable efforts to provide written notice of any service suspension to Customer and will provide updates regarding resumption of availability of the System following any service suspension. SAS will not provide any Service Credits and will have no liability for any damage, liabilities, losses (including any loss of data or profits) that Customer may incur as a result of any service suspension under this section.

2. Service Credits

2.1 Service Credits will apply to Customer's production System(s) only. Customer will be entitled to request only one (1) Service Credit each month related to a particular event. Customer must request each Service Credit within seven (7) days of the end of such calendar month. Customer's failure to request a Service Credit within this timeframe will forfeit the Service Credit for that month. Any Service Credits received by Customer will be applied to the next invoice for Hosted Managed Services Fees under the Order Agreement. However, if the Service Credit is due in the final period of the Term, SAS will refund the Service Credit to Customer.

2.2 End-to-End Service Level Warranty. Service Credits available to Customer as a result of a breach of the End to End Service Level Warranty are calculated based on the System Availability as follows:

$$x = (n-y)*100$$

Where x = Average System Availability percentage;

n = the number of hours in a calendar month; and

y = the number of hours that the production System is not available in the same month.

System Availability	Service Credit Calculation
> 99.0%	No Service Credit
98.99% - 98.5%	4% of the monthly Hosted Managed Services Fees (annual divided by twelve)
< 98.49%	7% of the monthly Hosted Managed Services Fees

3. Termination

Customer may terminate the Order Agreement for cause and without penalty if: (a) Customer receives a total of four (4) Service Credits during any annual period under the Order Agreement; and (b) SAS breaches the Service Level Warranty in any subsequent calendar month during such annual period. Customer must notify SAS of its intention to terminate within five following the end of the calendar month in which the termination right arises.

4. Exclusive Remedies

Exclusive Remedies. The *Service Credits*, and *Termination* sections above state Customer's sole and exclusive remedy for any noncompliance with the Service Level Warranty. **SAS MAKES NO WARRANTY THAT THE SYSTEM WILL OPERATE ERROR-FREE OR WITHOUT INTERRUPTION OR THAT ANY DATA TRANSMISSIONS TO, FROM, OR THROUGH THE SYSTEM WILL BE COMPLETELY SECURE; PROVIDED, HOWEVER, THAT SAS WILL UTILIZE THE SECURITY MEASURES DESCRIBED IN THE HOSTED MANAGED SERVICES ADDENDUM.**