

Service Level Agreement

Definition of Service Level Commitments

System Availability Level

The "System Availability Level" is the percentage of time during a particular period that the Service is generally available to a Customer. Any unavailability beyond Xactly's reasonable control, including without limitation, acts of God, acts of government, flood, fire, earthquakes, civil unrest, acts of terror, strikes or other labor problems (other than those involving Xactly employees), computer, telecommunications, internet service provider or hosting facility failures or delays involving hardware, software or power systems not within Xactly's possession or reasonable control, and denial of service attacks, shall be excluded from the System Availability Level calculation. System Availability Level shall be calculated using the following formula:

- $[(\text{Minutes in the month} - \text{Unscheduled Downtime}) / \text{Minutes in the month}] * 100$
- Where "Minutes in the month" shall be defined as (Total minutes in the month – Scheduled Downtime).

Target System Availability Level is 99.7% in any calendar month.

Scheduled Downtime and Maintenance

"Scheduled Downtime" shall mean any downtime scheduled in advance by Xactly. "Unscheduled Downtime" shall mean any downtime that is not Scheduled Downtime. Scheduled Downtime will not be deemed Unscheduled Downtime for the purpose of the System Availability Level provided Customer is notified in advance as noted in the table below.

Xactly deploys 3 types of software releases:

- "Hot Fix" release for urgent defect repairs
- "Patch or Minor" release, where a patch is for defect repairs and a minor release may also include small feature enhancements
- "Major" release has both large feature enhancements plus defect repairs.

Each of these releases has an associated Scheduled Downtime, with advance customer notice and a target deployment window, as defined in the following table:

Type of Incent, Connect or Modeling Release	Scheduled Downtime	Advance Customer Notice	Target Deployment Window, all Pacific Time
Hot Fix	< 10 minutes	At least 8 hours if downtime required	6 - 7 PM, but can be anytime if an emergency
Patch or Minor	< 4 Hours	At least 24 Hours	Friday, 6-10 PM
Major	< 48 Hours	At least 14 days	Start Friday, 6 PM. Will complete no later than Sunday, 9 PM

If Xactly schedules a software release where total downtime exceeds the Scheduled Downtime, all additional downtime shall be deemed Unscheduled Downtime and included as such in the System Availability Level calculation. During the month of December, Xactly will limit downtime to only necessary maintenance releases, where those releases contain 'severity 1' or 'severity 2' bug fixes for customers in production. No major software or infrastructure upgrades will be done in December.

In addition, Xactly may deploy associated major hardware or software infrastructure upgrades. Such upgrades shall have associated Scheduled Downtime with advance customer notice and a target deployment window, as follows:

Major Hardware or Software Infrastructure Upgrades	< 48 Hours	At least 14 days	Start Friday, 6 PM. Will complete no later than Sunday, 9 PM
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Service Level Credit

This section sets forth Customer's sole and exclusive remedy for a failure of the Service to comply with the Target System Availability Level as set forth above. Provided Customer logs a service request providing detail of Unscheduled Downtime within thirty (30) days of the occurrence of such Unscheduled Downtime that causes Xactly to fall below the Target System Availability Level, and such Unscheduled Downtime subsequently is validated by Xactly, Xactly will issue to Customer a credit calculated as the pro-rata value of one (1) day of Service for the number of Subscribers licensed at the time of such Unscheduled Downtime based on Customer's applicable subscription fees.

Incident Definition

Severity Levels

Following a service request submission by Customer, Xactly Support Services will generate an initial response based on the applicable severity level definitions set forth in the table below. Xactly Support Services reserves the right to adjust the severity level based on subsequent investigation of the issue.

Service requests are classified into four severity levels: S1 – Critical, S2 –Urgent, S3 – High, and S4 – Medium.

Severity Level	Description / Criteria	Standard Response Times	Premium / Plus Response Times
Severity-1 (S1) Critical	Critical issue affecting all users, including system unavailability and data integrity issues with no workaround available. Data privacy or security issue.	60 minutes	30 minutes
Severity-2 (S2) Urgent	Major functionality is impacted or significant performance degradation is experienced. Issue is persistent and affects many users and/or major functionality. Also includes time-sensitive requests such as requests for processing or data review. No reasonable workaround available. Short-term workaround is available, but not scalable long term.	4 hours	1 hour
Severity-3 (S3) High	System performance issue or bug affecting some but not all users. Workaround is available. Resolution required as soon as reasonably practicable.	6 hours	2 hours
Severity-4 (S4) Medium	Inquiry regarding a routine technical issue; information requested on application capabilities, navigation, installation or configuration; bug affecting a small number of users. Reasonable workaround available.	8 hours	6 hours