Appendix 1 to
Eighth Amendment of
Master Service Agreement

DIR-DCS-MSI-MSA-001

June 28, 2013

Change Log

CCR	Amendment	Date	Description
CCR-00015, CCR-00016, CCR-00017	Amendment 2	June 30, 2012	• Acceptance Review Period Amended to included that any provision of written notice to DIR that Milestone Deliverable is ready complete and ready for review and is delivered outside Business Day that it shall be considered delivered on the next Business Day. • Business Day: Amended to include that Business Day is from 7:00 a.m. to 5:00 pm local time and that State Holidays will include all holidays with status of "All Agencies Closed", but not for skeleton crew holidays.
CCR-00025	Amendment 3	September 28, 2012	• Added definitions for "Email Minimum Volume Floor," "Microsoft Office 365," "Microsoft Office 365 Email Accounts," "Microsoft Office 365 Annual Minimum Volume Commitment Date," "Microsoft Office 365 Outsourcer Enrollment Agreement," and "Service Level Credit Start Date"
CCR-00032	Amendment 4	September 28, 2012	Added: -Email Minimum Volume Floor -Microsoft Office 365 -Microsoft Office 365 Email Accounts - Microsoft Office 365 Annual Minimum Volume Commitment Date - Microsoft Office 365 Outsourcer Enrollment Agreement - Service Level Credit Start Date
CCR-00038	Amendment 5	October 31, 2012	• Added definition for "DCS Customer"
CCR00062	Amendment 8	May 31, 2013	• Added definitions for "Exadata Instance" and "Exadata Instance Add-On Schema"

Exhibit to Data Center Services Multisourcing Service Integrator Master Services Agreement

DIR Contract No. DIR-DCS-MSI-MSA-001

Between

The State of Texas, acting by and through the Texas Department of Information Resources

and

Capgemini America, Inc.

Exhibit 1

Definitions

June 28, 2013

EXHIBIT 1
DEFINITIONS

Update Methodologies and Attachment for Exhibit 1

The following update methodologies and attachment are incorporated as part of **Exhibit 1**:

Title	Methodology for Updating Associated Exhibit Attachment
Exhibit 1 Definitions	**Exhibit 1** may only be modified by formal amendment, in accordance with **Section 21.7** of the MSA.
Attachment 1-A Common Terms and Acronyms	**Attachment 1-A** may only be modified by formal amendment, in accordance with **Section 21.7** of the MSA.

EXHIBIT 1
DEFINITIONS

When used in this Agreement with initial capital letters, the terms listed in this Exhibit shall have the meanings set forth herein. In addition, common terms and acronyms are listed in **Attachment 1-A**.

Term	Definition
Acceptance or Accepted	Means the determination, in DIR or, if applicable, DIR Customers' reasonable discretion and in accordance with the relevant provisions of **Exhibit 6**, confirmed in writing by DIR or the applicable DIR Customer, that Software, Equipment, Systems, and/or other Deliverables are in Compliance, in accordance with **Section 4.6** of the Agreement and the Services Management Manual or other criteria agreed to in writing by the Parties.
Acceptance Criteria	Means the criteria that Service Provider must confirm have been met prior to submitting a Deliverable for Acceptance by DIR or a DIR Customer. Acceptance Criteria include: (i) any mutually agreed written criteria identified as Acceptance Criteria, (ii) Compliance, (iii) for all Software and System deliverables that process data, such item successfully integrates with all other Services, Software, Equipment, Systems, and other resources and is fully documented such that the anticipated end user can utilize the functionality of such Deliverable in the manner and for the purpose intended and that reasonable knowledgeable professionals can understand, maintain, support, and modify such Deliverable in accordance with its intended use.
Acceptance Review Period	Has the meaning given in **Section 4.6(b)(i)** of the Agreement, **provided that any provision of written notice alerting DIR that a Milestone Deliverable is complete and ready for review that is submitted outside a Business Day shall be considered to be submitted for the purpose of DIR internal review, on the Business Day immediately following the day on which such notice was submitted**.
Actual Uptime	Means, of the Critical Uptime, the aggregate number of minutes during which the applicable Service component defined in **Attachment 3-A** is Available.
Additional Resource Charge (ARC)	Means the incremental charges set forth in **Exhibit 4** for the use of the Services above the Monthly Resource Baselines for such Services.
Affiliate	Means with respect to an Entity, any other Entity that directly or indirectly Controls, is Controlled by, or is under common Control with that Entity at the time in question.
Agreement	Means the final version of any contractually binding agreement between DIR and the Service Provider relating to the subject matter of the RFO;

Term	Definition
	references to the Agreement include all Exhibits, Attachments and other documents attached thereto or incorporated therein by reference. Notwithstanding the foregoing, unless expressly provided or the context otherwise requires, references to the Agreement in conjunction with section or article references shall be deemed references to the body of the Agreement (that is, **Articles 1** through **21**).
Allocation of Pool Percentage	Means the portion of the respective Pool Percentage Available for Allocation that is specified for a Performance Category. The total of all Allocation of Pool Percentages shall not exceed the Pool Percentage Available for Allocation.
Annual Base Charges or Base Charges	Means the annual fixed charges for Service Provider's provision of the Services and includes the quantity of Resource Units set forth under the Resource Baselines in **Attachment 4-D**. The Annual Base Charges are set forth in **Attachment 4-A** and described as such. Base Charges are invoiced in monthly increments.
Antivirus Software	Means all software programs and programming (and all modifications, replacements, Upgrades, enhancements, documentation, materials and media related thereto) that are used to monitor for, filter and detect the presence of Malicious Code and repair or remediate the effects of Malicious Code. Antivirus Software shall include all such programs and programming in use or required to be used as of the Commencement Date, including those set forth in **Exhibit 11** to the Agreement, those as to which the license, maintenance or support costs are included in the Financial Base Case and those as to which Service Provider received reasonable notice and/or access prior to the Commencement Date. Antivirus Software also shall include all such programs and programming developed and/or introduced by or for DIR, any DIR Customer, or Service Provider during the Term.
Appliances	Means a virtual machine image or hardware device consisting of a pre-configured operating system environment and integrated software to perform a specific function in support of DIR Customer Applications (e.g. application monitor, load balancer, spam filter, etc).
Applications Development and Maintenance or ADM	Means DIR Customer application, maintenance and development support staff.
Application Server(s)	Means any Server used exclusively for performance of Services and designated by DIR as an Application Server (e.g. Business Application, Database, Middleware, Webhosting, etc.).

Term	Definition
Application Utilities	Has the meaning given in **Attachment 4-B**.
Applications and Applications Software	Means all software programs and programming (and all modifications, replacements, Upgrades, enhancements, documentation, materials, media, on-line help documentation and tools related thereto) that perform user or DIR Customer-related information processing functions or support day-to-day operations (including the supporting documentation, media, on-line help facilities, and tutorials), or otherwise used in the provision of Services by Service Provider. Applications Software shall include all such programs and programming in use or required to be used as of the Commencement Date, including those set forth in **Exhibit 11** to the Agreement, those as to which the license, maintenance, or support costs are included in the Financial Base Case, and those as to which Service Provider received reasonable notice and/or access prior to the Commencement Date. Applications Software also shall include all such programs and programming developed and/or introduced by or for DIR, any DIR Customer or Service Provider during the Term. Applications Software does not include the tools, utilities, or Operating Software or Systems Software used to deliver Applications Software.
Applications Warranty Period	Means the period specified in **Section 15.4(c)** of the Agreement for the applicable Developed Material.
Architectural Diagram	Means a diagram of the structure or structures of the solution which consist of elements, their external visible properties, and the relationships among them.
Architecture	Means the design, process, strategies, and specification of the overall structure, logical components, and the logical interrelationships of Equipment and Software, including System Software, a Network, or other reasonably related conception.
Assessment(s) or Assessed	Has the meaning given in **Attachment 17-C**.
Assessment Notice Date	Means the date that DIR or the Security Assessment Company, as applicable, provides an Assessment report to Service Provider.
Asset Inventory and Management System (AIMS)	Means an automated, database-driven application used to store, query, and maintain asset inventory information for all assets used in association with the Services, whether the assets are located at DIR Facilities or Service Provider Facilities.
Assistance Event	Means (i) any termination (in whole or in part) under, or the expiration of, the Agreement, or (ii) the discontinuance of the provision of the Services (in whole or in part) in respect of any DIR Customer.

Term	Definition
At-Risk Amount	Means, for any month during the Term, ten percent (10%) of the Service Level Invoice Amount, which is the maximum amount that the Service Provider will have at risk for Service Level Credits as set forth in **Attachment 3-A**. Each Service Component will have its own At-Risk Amount tied to the corresponding portion of the Service Level Invoice Amount.
Audit Period	Has the meaning given in **Section 9.9(a)** of the Agreement.
Authorized User(s)	Means, unless otherwise indicated, officers, directors, employees, contractors, agents, customers, and vendors of DIR or any DIR Customer and any other person(s) designated by DIR or any DIR Customer to receive or use the Systems or Services provided by Service Provider.
Availability or Available	Means that the full functionality of a Service Component is available for use by the Authorized Users and is not degraded in any material respect.
Bankruptcy Code	Has the meaning given in **Section 20.5(b)** of the Agreement.
Bankruptcy Rejection	Has the meaning given in **Section 20.5(b)** of the Agreement.
Batch	Means the daily or nightly process which takes pending transactions and performs the work associated with them.
Benchmarker	Has the meaning given in **Section 11.10(a)** of the Agreement.
Benchmarking	Has the meaning given in **Section 11.10(a)** of the Agreement.
Business Continuity Services	Means the overall enterprise plans and specific activities of each DIR Customer and/or Service Provider that are intended to enable continued business operations in the event of any unforeseen interruption (e.g. plans and activities to move a department to a new location in the event of a disruption).
Business Day	Means each day from Monday through Friday, excluding State holidays, **7:00 a.m. to 5:00 p.m. local time. State holidays will include all holidays with the status "All Agencies closed." State holidays will not include State optional holidays or holidays that require skeleton crews**.
Business Office(s)	Means DIR Customer office(s) or other location(s), other than Legacy Data Centers, where Services are provided.
CAP Failure Credit	Has the meaning given in **Exhibit 3** of the Agreement.

Term	Definition
CAP Failure Event	Has the meaning given in **Section 4.1** of the Agreement.
CAP Notice	Has the meaning given in **Section 4.1** of the Agreement.
Cabling	Means the physical connection between pieces of equipment that are generally loose, not necessarily permanent and attached to infrastructure (e.g. within racks and cabinets).
Call	Means a contact (including by telephone, voicemail, electronic mail, fax, automated tool or web request) to Service Provider reporting a problem, requesting assistance or Services, or asking a question pertaining to the Services, as well as automated alerts and other problem and Service notifications communicated to Service Provider.
Capital Expenditures	Has the meaning given in **Exhibit 4** to the Agreement.
Change Control Procedures	Has the meaning given in **Section 9.6(a)** of the Agreement.
Change Management or Change Management Process	Means the processes relating to planning and performing all changes in DIR Customer's IT environment pertaining to the Services, including changes to individual components and coordination of changes across all components. The Change Management processes will support and include checkpoints to determine any potential or required Change Control Procedures.
Chargeback	Has the meaning given in **Exhibit 4** of the Agreement.
Chargeback Blended Rate	Has the meaning given in **Exhibit 4** of the Agreement.
Chargeback System	The system for Chargeback and Utilization Tracking, as described in **Section A.2.5.1** of **Exhibit 2.1** and **Exhibit 2.1.2** respectively.
Charges	Means the Monthly Base Charge, Additional Resource Charges and any other amounts payable by DIR to Service Provider pursuant to the express terms of the Agreement.
Chronic Service Issue (or Chronic Problem)	A Service Delivery related Problem that has occurred numerous times with no known corrective action for the Problem and resulted in a) repeated failures to meet the requirements set forth in the Statements of Work and b) a significant disruption of Service or Service performance to the DIR Customer.
Co-location Services	Means a set of services as described in **Exhibit 2**, which provides the physical environment for hosting IT infrastructure. Under a Co-location scenario, IT assets are placed in a Consolidated Data Center facility (next to or "co-located with" the Fully Managed Services), and the DIR Customer is able to take advantage of shared power connections, HVAC

Term	Definition
	systems, network connectivity, physical security and redundant facilities architecture. The DIR Customer essentially uses space for their IT assets while maintaining ownership, management and support of those assets.
Collaborative Applications	Includes legacy Applications containing functionality to enable electronic communication and messaging, work group collaboration, information transfers, FAQs, and similar Applications that allow collaborative interaction and receipt/transfer of data and information both within and outside of DIR and DIR Customers. Examples of current and/or future Collaborative Applications include, but are not limited to, Lotus Notes, electronic mail, calendaring, and instant messaging.
Commencement Date	Means 12:00 a.m., Central Time, on July 1, 2012, or such other date as the Parties may agree upon in writing as the date on which Service Provider shall assume full responsibility for the Services.
Commercial Off-The-Shelf (COTS)	Means Equipment and/or Software, as applicable, that is readily available to the public from a Third Party that is not an Affiliate of a Party.
Compliance and Comply	Means, with respect to Deliverables, fulfilling the requirements of the Specifications, the Acceptance Criteria, the Agreement, and all other applicable operational and/or functional requirements.
Compilers	Has the meaning given in **Attachment 4-B**.
Component	Means a grouping of software functionally or a separate software object in the solution that has the ability to "stand alone" or "integrate with other components" as required.
Confidential Information	Has the meaning given in **Section 13.1(a)** of the Agreement.
Configuration Management Database (CMDB)	Means a System that contains details regarding the Software, Equipment and Systems that are used in the provision and management of the Services, including information that relates to the maintenance, movement and problems experienced with such Software, Equipment and Systems.
Connectivity	Means the ability to access and exchange data, voice, and/or video electronic impulses between various Infrastructure components and with external sources as approved by DIR and provided to Authorized Users.
Consolidated Data Center(s)	Means the centralized Data Center(s) used by Service Provider to provide Services (e.g. ADC and SDC).
Contract Changes	Has the meaning given in **Section 11.1(f)** of the Agreement.

Term	Definition
Contract Records	Has the meaning given in **Section 9.9(a)** of the Agreement.
Contract Year	Means each twelve (12) month period commencing September 1, 2012 and each September thereafter during the Term. If any Contract Year is less than twelve (12) months, the rights and obligations under this Agreement that are calculated on a Contract Year basis will be proportionately adjusted for such shorter period.
Control, Controlled and Controlling	Means (a) the legal, beneficial, or equitable ownership, directly or indirectly, of (i) at least fifty percent (50%) of the aggregate of all voting equity interests in an Entity, or (ii) equity interests having the right to at least fifty percent (50%) of the profits of an Entity or, in the event of dissolution, to at least fifty percent (50%) of the assets of an Entity; (b) the right to appoint, directly or indirectly, a majority of the board of directors; (c) the right to control, directly or indirectly, the management or direction of the Entity by contract or corporate governance document; or (d) in the case of a partnership, the holding by an Entity (or one of its Affiliates) of the position of sole general partner.
Control Deficiency	Has the meaning given in Section 9.9(i)(v) of the Agreement.
Controlled Penetration Tests	Means a type of Assessment that tests the vulnerability of Systems to unauthorized external interventions or improper uses.
Corrective Action Plan or CAP	Has the meaning given in **Section 4.1** of the Agreement.
Critical Deliverables	Means the One-Time Deliverables and Recurring Deliverables that have associated Deliverable Credits payable to DIR in the event Service Provider fails to successfully and timely complete such Deliverables as identified in Attachment 3-C.
Critical Service Level	Means any Service Level designated as "critical" by DIR, and with respect to which DIR may become entitled to receive Service Level Credits as a result of Service Provider's failure to satisfy the associated Service Level standards.
Critical Uptime	Means the aggregate number of minutes in the specified period(s) in the applicable Measurement Window during which a defined Service component is required to be Available. Unless otherwise specified in the Agreement, the Service Management Manual, or the CMDB, Critical Uptime equals the total number of minutes in the Measurement Window.

Term	Definition
	A defined Service component is not required to be Available during Scheduled Downtime.
Cross-Functional Services	Means those Services performed in connection with performing, and in support of, each of the Services, including those Services described in **Exhibit 2.1.2**.
Data Center Component Provider	Means the DCS Service Provider who has entered into a contract with DIR for the Data Center Statement of Work.
Database Administrator (DBA)	Means an individual responsible for the design and management of databases and for the implementation of the Database Management System. DBA includes "logical" and "physical" database administrators.
Database Management Software	Shall have the meaning given in **Attachment 4-B**.
Database Management System (DBMS)	Means a system that controls the organization, storage, retrieval, security, and integrity of data in a database.
DCS Network	Means the LAN in the Consolidated Data Centers, the LAN in the legacy portion of the SDC, and the portion of the LAN in the Winters Data Center that supports In-Scope servers.
DCS Customer	Shall have the same meaning as "DIR Customer". Means, collectively, any of the following Entities that are designated by DIR to receive Services under the Agreement, whether directly from any DCS Service Provider or from DIR through an Interagency, Interlocal, or other agreement: (a) DIR in its capacity as a recipient of Services; (b) any State agency, unit of local government or institution of higher education as defined in Section 2054.003, Texas Government Code, and those State agencies that execute Interagency Agreements with DIR, as authorized by Chapter 771, Texas Government Code; (c) any Texas local government as authorized through the Interlocal Cooperation Act, Chapter 791, Texas Government Code; (d) any other state or governmental Entity of another state, as authorized by Section 2054.0565, Texas Government Code; (e) any other Entity permitted under Law to purchase Services

Term	Definition
	from or through DIR; and (f) other Entities to which the Parties agree. The Parties acknowledge and agree that the definition of eligible DIR Customers is subject to modification by the State Legislature, and that the then-current definition of DIR Customers shall control for all purposes.
DCS Service Provider(s)	Means, collectively, all Service Component Providers and the MSI.
Definitive Hardware Store (DHS)	Means a secure hardware store that stores definitive hardware spares and maintains them at the same level as the live location, including recording their details in the CMS / CMDB.
Definitive Software Library (DSL)	Means a secure software library into which the master copies of all Software (except those version of DIR's and DIR Customers' Application Software not released into the production environment) and associated documentation is stored and from here its control and release is managed. See the Release Management section of **Attachment 6-B** for additional elaboration regarding the DSL.
Deliverable	Has the meaning given in **Section 4.6(a)** of the Agreement.
Deliverable Credits	Has the meaning given in **Section 7.2(b)** of the Agreement.
Derivative Work	Means a work based on one or more preexisting works, including a condensation, transformation, translation, modification, expansion, or adaptation, that, if prepared without authorization of the owner of the copyright of such preexisting work, would constitute a copyright infringement under applicable Laws, but excluding the preexisting work.
Developed Material	Means any Materials or any modifications, enhancements, improvements, Upgrades or Derivative Works of Materials that are developed pursuant to the Agreement or otherwise paid for by DIR or any DIR Customer under the Agreement.
Development or Development Environment	Means the Systems environment in which Software and databases are initially designed and created. DIR Customers may have more than one Development Environment.
Development Tool	Means all software programs and programming (and all modifications, replacements, Upgrades, enhancements, documentation, materials, and media related thereto) that are used in the development, testing, deployment, and maintenance of Software. Development Tools shall include all such programs and programming in use or required to be used as of the Commencement Date, including those set forth in **Exhibit 11** to the Agreement, those as to which the license, maintenance or support

Term	Definition
	costs are included in the Financial Base Case and those as to which Service Provider received reasonable notice and/or access prior to the Commencement Date. Development Tools also shall include all such programs and programming developed and/or introduced by or for DIR, any DIR Customer or Service Provider during the Term.
DIR	Has the meaning given in the preamble to the Agreement.
DIR Auditors	Has the meaning given in **Section 9.9(b)** of the Agreement.
DIR Contractor(s)	Has the meaning given in **Section 4.5(a)** of the Agreement.
DIR Customer	Means, collectively, any of the following Entities that are designated by DIR to receive Services under the Agreement, whether directly from any DCS Service Provider or from DIR through an Interagency, Interlocal, or other agreement: (a) DIR in its capacity as a recipient of Services; (b) any State agency, unit of local government or institution of higher education as defined in Section 2054.003, Texas Government Code, and those State agencies that execute Interagency Agreements with DIR, as authorized by Chapter 771, Texas Government Code; (c) any Texas local government as authorized through the Interlocal Cooperation Act, Chapter 791, Texas Government Code; (d) any other state or governmental Entity of another state, as authorized by Section 2054.0565, Texas Government Code; (e) any other Entity permitted under Law to purchase Services from or through DIR; and (f) other Entities to which the Parties agree. The Parties acknowledge and agree that the definition of eligible DIR Customers is subject to modification by the State Legislature, and that the then-current definition of DIR Customers shall control for all purposes.
DIR Data	Means any data or information of or regarding DIR or any DIR Customer that is provided to or obtained by Service Provider in connection with the negotiation and execution of the Agreement or the performance of Service Provider's obligations under the Agreement, including data and information with respect to the constituency, customer, operations, facilities, products, rates, regulatory compliance, competitors, assets, expenditures, mergers, acquisitions, divestitures, billings, collections, revenues and finances of DIR or any DIR Customer. DIR Data also means any data or information (i) created, generated, collected or processed by Service Provider in the performance of its obligations under

Term	Definition
	the Agreement, including data processing input and output, service level measurements, asset information, Reports, third party service and product agreements, contract charges, and retained expense and Pass-Through Expenses, or (ii) that resides in or is accessed through Software, Equipment or Systems provided, operated, supported, or used by Service Provider in connection with the Services, as well as information derived from this data and information, but excluding the following information to the extent not required to be provided or otherwise made available to DIR under this Agreement, including with in connection with DIR's rights related to Benchmarking, Subcontractors, auditing, Reports, or Termination Assistance Services: (A) financial/accounting information (including costs, expenditures, billings collections, revenues and finances) of Service Provider, its Affiliates or Subcontractors; (B) information created by Service Provider to measure the productivity and efficiency of the Services and/or to improve the processes and procedures used by in the performance of the Services; (C) human resources and personnel information of Service Provider, its Affiliates or Subcontractors; and (iv) information with respect to Third Party Contracts or licenses of Service Provider, its Affiliates or Subcontractors and used in the performance of the Services. Data or information constituting DIR Data shall not constitute Service Provider Confidential Information.
DIR Data Center Services Manager	Has the meaning given in **Section 10.1(a)** of the Agreement.
DIR Enterprise License Software	Shall have the meaning given in **Attachment 4-B**.
DIR Facilities or DIR Facility	Means the facilities that are provided by DIR or a DIR Customer for use by Service Provider to the extent necessary to provide the Services as well as those DIR, DIR Customer and DIR Contractor locations at or to which Service Provider is to provide the Services. DIR Facilities include the Non-Consolidated Service Locations and the Consolidated Data Centers.
DIR Laws	Has the meaning given in **Section 15.11(b)** of the Agreement.
DIR Owned Materials	Has the meaning given in **Section 14.1(a)** of the Agreement.
DIR Personal Data	Means that portion of DIR Data that is subject to any Privacy Laws and includes, but is not limited to, information which any DIR Customer discloses that consists of personal Confidential Information or identifies any consumer served by the Texas Health and Human Services Commission or constituent agencies, in accordance with applicable federal and state laws and other applicable rules, including but not limited to the Texas Health and Safety Code and 25 Texas Administrative Code,

Term	Definition
	Chapter 414.
DIR Provided Equipment	Has the meaning given in **Section 6.4(e)** of the Agreement.
DIR Rules	Has the meaning given in **Section 6.3(a)** of the Agreement.
DIR Standards or Standards	Has the meaning given in **Section 9.5(a)** of the Agreement.
DIR-Initiated Financial Dispute	Has the meaning given in Section 12.4(d) of the Agreement.
Disaster	Means (1) a sudden, unplanned calamitous event causing great damage or loss; (2) any event that creates an inability on an organizations part to provide critical business functions for some predetermined period of time; (3) in the business environment, any event that creates an inability on an organization's part to provide the critical business functions for some predetermined period of time; (4) the period when company management decides to divert from normal production responses (in total or in part) and exercises its disaster recovery plan; and (5) typically signifies the beginning of a move from a primary to an alternate location.
Disaster Recovery (DR) Services	Means the process of following specific advance arrangements and procedures in response to a disaster, resumption of the critical business functions within a predetermined period of time, minimizing the amount of loss, and repairing or replacing the damaged facilities as soon as possible. The Disaster Recovery Services include support and coordination with the Business Continuity Services.
Disaster Recovery Plan (DRP)	Means the plan to execute Disaster Recovery Services.
Domestic Mail Manual (DMM)	Means the documented mailing standards for USPS.
Downtime	Means the time that a particular System, Application, Software, Equipment, Network or any other part of the Services is not Available during the Measurement Window.
Draft Invoice	Has the meaning given in **Section 12.1(a)** of the Agreement.
Eligible Service Provider	Has the meaning given in **Exhibit 4**.
Email / Collaborative Software	Has the meaning given in **Attachment 4-B**.
Earnback	Means the methodology used to determine the potential return of a

Term	Definition
	Service Level Credit as described in **Exhibit 3**.
Economic Change Adjustment (ECA)	Has the meaning given in **Exhibit 4**.
Effective Date	Has the meaning given in the "Authority to Execute" section of the Agreement.
Electronic PHI or ePHI	Has the meaning given in **Section 13.3(i)(i)** of the Agreement.
Email Minimum Volume Floor	Means the volume floor at which the billing mechanism for Consolidated and Non-Consolidated Email Accounts ceases to be an RU and will be charged according to the terms of Section 7.1 of Exhibit 4.
Entity or Entities	Means a governmental body, agency, unit or division (including those categories described in the definition of DIR Customer), corporation, partnership, joint venture, trust, limited liability company, limited liability partnership, association, or other organization or entity.
Equipment	Means the computer, telecommunications, and facility-related hardware, equipment, and peripherals (and all modifications, replacements, Upgrades, enhancements, documentation, materials, and media related thereto) that are used in connection with the Services by Service Provider. Equipment shall include all such computer, telecommunications, and facility-related hardware, equipment, and peripherals in use or required to be used as of the Commencement Date, including those set forth in **Exhibit 10** to the Agreement; those as to which the lease, maintenance, or support costs are included in the Financial Base Case; and those as to which Service Provider received reasonable notice and/or access prior to the Commencement Date. Equipment also shall include all such computer, telecommunications, and facility-related hardware, equipment, and peripherals purchased or leased by or for DIR, any DIR Customer or Service Provider during the Term.
Equipment Leases	Means all leasing arrangements whereby DIR, the DIR Customers or any DIR Contractor leases Equipment as of the Commencement Date which shall be used by Service Provider to perform the Services after the Commencement Date. Equipment Leases shall include those leases identified on **Exhibit 12**, those as to which the costs are included in the Financial Base Case, and those as to which Service Provider received reasonable notice and/or reasonable access prior to the Commencement Date. Equipment Leases also shall include all such leasing arrangements entered into by or for DIR, the DIR Customers, any DIR Contractor or Service Provider during the Term.
Escrow Agreement	Has the meaning given in **Exhibit 26** to the Agreement.

Term	Definition
Event of Loss	Has the meaning given in **Exhibit 24** to the Agreement.
Exadata Instance	Means the metric used to measure DBaaS-Oracle RU usage and is equal to one Oracle database process operating within the Oracle Exadata platform.
Exadata Instance Add-On Schema	Means a set, or multiple sets, of discrete user database schema(s) added to an existing single Exadata Instance, managed individually and having the following characteristics: (1) additional security management such as models/profiles specific to the schema or unique user roles based assignments and (2) additional reoccurring administration requirements such as reorgs, reindexing, purges, log reviews/management, reporting and tuning activities.
Executive Customer Survey	Means the survey delivered to the DIR Customer executive. Such executive will be designated by the DIR Customer representative and may include, among others, the agency head, deputy, chief operating officer, or chief administrative officer.
Expected Service Level	Means the desired level of performance for a Critical Service Level or Key Measurement, as set forth in **Attachment 3-A**.
Expected Service Level Default	Means the Service Provider's level of performance for a particular Critical Service Level fails to meet the applicable Expected Service Level (but does not fail to meet the applicable Minimum Service Level), as specified in **Exhibit 3** and its Attachments, and has failed to meet such Expected Service Level for four (4) or more occurrences in any rolling twelve (12) month period.
Expiration Date	Means the ending date of the Term.
Extraordinary Event	Has the meaning given in **Section 11.6(a)** of the Agreement.
FAQ(s)	Means a frequently asked question or list of such questions.
Federal Tax Information (FTI)	Means any Federal tax information, including without limitation, and tax return-derived information received from the IRS.
Financial Base Case	Means the summary financial model in **Attachment 4-C**.
Forward Schedule of Change (FSC)	Means a documented plan for future changes, which are scheduled for a defined rolling period of time, and is revised on a monthly basis.
Full Time Equivalent (FTE)	Means a level of effort, excluding vacation, holidays, training, administrative and other non-productive time (but including a reasonable amount of additional work outside normal business hours), equivalent to

Term	Definition
	that which would be provided by one person working full time for one year. Unless otherwise agreed, one FTE is assumed to be 1,920 productive hours per year. Without DIR's prior written approval, one dedicated individual's total work effort cannot amount to more than one FTE.
Full Time Professional (FTP)	Means the productive level of effort, excluding non-productive time such as travel, vacation, holiday, training, education, marketing, administrative staff meetings, medical leave, and military leave, equivalent to that which would be provided by one (1) person working full time over the course of such month, provided that one (1) person's total effort during any month shall not amount to more than one (1) FTP in such month.
Fully Managed Services	Means the management and responsibility for providing a defined set of services as defined in **Exhibit 2**. For clarity, Co-Location Services do not meet the definition of Fully Managed Services.
Fully Managed Third Parties	Has the meaning given in **Section 6.6(a)** of the Agreement.
Functional Service Area	Means any subset or grouping of the MSI Services and Service Component (or any portion or combination thereof).
Generally Managed Third Parties	Has the meaning given in **Section 6.6(b)** of the Agreement.
Hardware Service Charge (HSC)	Has the meaning given in **Exhibit 4** of the Data Center Services Service Component Provider Master Services Agreement (DIR Contract Number DIR-DCS-SCP-MSA-002).
Help Desk	Means the facilities, associated technologies, and fully trained DIR Customer staff who respond to calls, coordinate all problem and request management activities, and act as a single point of contact for end users.
Help Desk Customer Satisfaction Survey	Means the survey delivered to DIR Customer Help Desk staff.
Historically Underutilized Business(es)	Shall have the meaning given to such term by the Texas Comptroller of Public Accounts.
IIRIRA	Has the meaning given in **Section 15.7(o)** of the Agreement.
Incident	Means an event which is not part of the standard operation of a service and which causes or may cause disruption to or a reduction in the quality of services and DIR and/or DIR Customer productivity.

Term	Definition
Income Tax	Means any tax on or measured by the net income of a Party (including taxes on capital, net worth or revenue that are imposed as an alternative to a tax based on net or gross income), or taxes which are of the nature of excess profits tax, minimum tax on tax preferences, alternative minimum tax, accumulated earnings tax, personal holding company tax, capital gains tax, or franchise tax for the privilege of doing business.
Incumbent Personnel	Means employees of IBM or their subcontractors providing Services to DIR pursuant to the terms of that certain Master Services Agreement by and between DIR and IBM dated November 22, 2006.
Incumbent Service Provider	Means IBM or their subcontractors providing Services to DIR pursuant to the terms of that certain Master Services Agreement by and between DIR and IBM dated November 22, 2006.
Inflation Sensitive Charges	Has the meaning set forth in **Exhibit 4**.
Information Technology Infrastructure Library (ITIL)	Means a world-wide recognized best-practice framework for the management and delivery of IT services throughout their full life-cycle. The primary structure of the requirements in the Statements of Work are based on an ITIL v2 Foundations with ITIL v3 guidance in select functional areas (e.g. Request Management and Fulfillment) with the expectation of migrating towards ITIL v3 progressively as process improvements are incorporated into the Service Management Manual.
Infrastructure	Means the entire portfolio of Equipment, System Software, and Network components required for the integrated provision and operation of DIR and DIR Customer's IT systems and Applications.
Infrastructure Management Software	Shall have the meaning given in **Attachment 4-B**.
Infrastructure Server	Means the following type of Servers: Domain Services, Security Backup, Monitoring, Scheduling, Network and Software Distribution.
Infrastructure Stack Software	Means Antivirus Software, Infrastructure Management Software, Operating Software, and Utility / Monitoring & Management Software used in the operation of Service Tier Matrix Servers.
Initial Term	Has the meaning given in **Section 3.1** of the Agreement.
Initial Test or Initial Test Environment	Means the system environment that closely simulates Development; it is the first stage of testing and is often subject to numerous changes. DIR Customers may have more than one Initial Test Environment.

Term	Definition
In-Scope	Means those Services or resources that are the subject of Service Provider's obligations under the Agreement.
Instance	Means one running OS kernel process that manages: (i) all of or a discrete subset of the Server's persistent storage (disk), volatile storage (memory), and central processing units; and (ii) a single list of processes (process table). Depending on the Server's configuration, one or more Instance may run on a single application physical Server. Instances in a clustered configuration shall be deemed to be discrete Instances, though each Instance within a cluster shall accommodate different tiers , depending on DIR requirements. In accordance with **Exhibit 4**, certain Operating System Instances shall be classified by DIR by the variables as described in the Server Service Tier Matrix document attached as **Attachment 4-E**.
Interagency Agreement	Means an agreement, as authorized by Chapter 771, Texas Government Code, entered into between DIR and any DIR Customer pursuant to which Services are provided to such DIR Customer.
IRS	Means the Internal Revenue Service; a division of the U.S. Treasury Department responsible for collecting taxes.
IT Management Customer Satisfaction Survey	Means the survey delivered to DIR Customer IT Management, including but not limited to DIR Customer Representatives and Statewide Technology Services Advisory Council members.
IVR	Means Interactive Voice Response.
Key Measurements	Means those Service Levels for which no Service Level Credit is payable, and are described in **Attachment 3-B**.
Key Service Provider Personnel	Means the Service Provider Personnel filling the positions designated in **Attachment 5-A** as Key Service Provider Personnel.
Laws	Means all federal, state and local laws, statutes, ordinances, regulations, rules, executive orders, circulars, opinions, interpretive letters and other official releases of or by any government, or any authority, department or agency thereof.
Legacy Data Centers	Means the DIR Customer data centers located in Austin and Huntsville, Texas, as identified in **Exhibit 7**.
Level 1 Support	Means support that is provided as the entry point for inquiries or problem reports from Authorized Users. If Level 1 personnel cannot resolve the inquiry or problem, the inquiry or problem is directed to the appropriate Level 2 personnel or a Third Party for resolution.

Term	Definition
Level 2 Support	Means support that serves as a consolidation point for inquiries and problems between Level 1 and Level 3. For example, Level 2 Support might exist in a computer operations or a distribution/mail out center. If Level 2 personnel cannot resolve the inquiry or problem, the inquiry or problem is directed to the appropriate Level 3 personnel or a Third Party for resolution.
Level 3 Support	Means support provided by the personnel or Third Party that is most knowledgeable about the underlying problem or question and that is utilized when efforts to resolve the problem or question by Level 1 and Level 2 Support have failed or are bypassed. Inquiries or problems are usually reported by Level 1 or Level 2 Support personnel, but may be initiated directly by Authorized Users or the Service Provider.
Logical DBA	Means the Database Administrator who is responsible for the logical aspects of a database (including schema design, data modeling, application tuning, and application performance assistance). Logical DBAs have extensive knowledge of the business applications and requirements.
Logical Security	Means controlling access to information, software, and data by utilizing Operating Software parameters and Applications-level security controls. Logical Security includes logical separation of processors and disk and segregation of reusable storage media.
Long-Range IT Plan	Means the long-range, comprehensive plan for DIR's and DIR Customers' IT systems, processes, technical architecture, and standards as more fully described in **Exhibit 2.1.2**.
Losses	Means all losses, liabilities, damages (including punitive and exemplary damages), fines, penalties, settlements, judgments, interest and claims (including taxes), in each case that a court finally awards to a third party or which are otherwise included in the amount payable to a third party and all related costs and expenses (including reasonable legal fees and disbursements and costs of investigation, litigation, experts, settlement, judgment, interest and penalties), as incurred.
Mainframe	Means a Server that utilizes the current Operating Software (e.g. zOS, OS/390, VM, VSE, OS2200).
Mainframe Component Provider	Means the DCS Service Provider who has entered into a contract with DIR for the Mainframe Statement of Work.
Major Incident	The highest category of impact for an Incident. A Major Incident results in significant disruption to business operations.

Term	Definition
Major Problem	A cause of one or more Major Incidents. The cause is not usually known at the time a Problem record is created, and the Problem Management Process is responsible for further investigation.
Major Release	Means a new version of Software that includes changes to the architecture and/or adds new features and functionality in addition to the original functional characteristics of the preceding Software release. These releases are usually identified by full integer changes in the numbering, such as from "**7.0**" to "**8.0**," but may be identified by the industry as a major release without the accompanying integer change.
Malicious Code	Means (i) any code, program, or sub-program whose knowing or intended purpose is to damage or interfere with the operation of the computer system containing the code, program or sub-program, or to halt, disable or interfere with the operation of the Software, code, program, or sub-program, itself, or (ii) any device, method, or token that permits any person to circumvent the normal security of the Software or the system containing the code.
Managed Third Parties	Means the DIR Contractors listed on **Exhibit 22** to the Agreement and any substitute or replacement third party contractors reasonably designated by DIR.
Management Tools	Means all software products and tools (and all modifications, replacements, Upgrades, enhancements, documentation, materials and media related thereto) that are used by Service Provider to deliver and manage the Services. Management Tools shall include all such products and tools in use or required to be used as of the Commencement Date, including those set forth in **Exhibit 11** to the Agreement, those as to which the license, maintenance, or support costs are included in the Financial Base Case, and those as to which Service Provider received reasonable notice and/or access prior to the Commencement Date. Management Tools also shall include all such products and tools selected and/or developed by or for DIR, any DIR Customer or Service Provider during the Term.
Materials	Means all formulae, algorithms, processes, process improvements, procedures, designs, concepts, methodologies, trade secrets, technology, Software (in both object and source code form), databases, specifications and all records thereof, including documentation, design documents and analyses, interface documentation, studies, tools, plans, models, flow charts, reports and drawings.
Measurement Window	Means the time during, or frequency by, which a Service Level shall be measured. The Measurement Window will exclude approved scheduled

Term	Definition
	maintenance.
Middleware	Means Software that facilitates interactions and integration between and among two or more separate Software programs, Systems, or platforms.
Microsoft Office 365	Means the cloud-based, subscription email/messaging software as a service suite offered by Microsoft.
Microsoft Office 365 Email Accounts	Means the Resource Unit Categories associated with the Microsoft Office 365 Email Services described in Sections 19.5 and 19.5(c) of Exhibit 4.
Microsoft Office 365 Annual Minimum Volume Commitment Date	Means the date on which a DIR Customer who has elected to receive Microsoft Office 365 Email Services commits to a volume of mailboxes to be provisioned by Service Provider for the coming year. Pursuant to the requirements set forth in Exhibit 4, a DIR Customer must give Service Provider sixty (60) days' notice of its license volume order.
Microsoft Office 365 Outsourcer Enrollment Agreement	Means the three-party agreement between DIR, Service Provider, and Microsoft which permits Service Provider to aggregate license from and manage orders on behalf of DIR Customers.
Milestone Deliverable	Has the meaning given in **Section 4.6(b)** of the Agreement.
Minimum Service Level	Means the minimum level of performance set forth in **Attachment 3-A** with respect to each Critical Service Level and Key Measurement.
Minimum Service Level Default	Means the Service Provider's level of performance for a particular Critical Service Level fails to meet the applicable Minimum Service Level at any time.
Minor Release	Means a scheduled release containing small functionality updates and/or accumulated resolutions to defects or non-conformances made available since the immediately preceding release (whether Major Release or Minor Release). Minor Releases shall include "Maintenance Releases" which are supplemental to and made available between Major Releases and other Minor Releases, issued and provided under specific Service Provider Service Level or maintenance obligations and contain only accumulated resolutions or mandated changes. These releases are usually identified by a change in the decimal numbering of a release, such as "**7.12**" to "**7.13**."
Monthly Base Charge	Means the monthly fixed charge to DIR for Service Provider's performance of the Services and includes the quantity of Resource Units set forth under the Monthly Resource Baselines in **Attachment 4-D**.
Monthly Charges	Means the total Charges invoiced by Service Provider in any calendar

Term	Definition
	month for Services (excluding Pass-Through Expenses, Out-of-Pocket Expenses and Service Taxes).
Monthly Business Days	Means Business Days in a given month.
Monthly Business Days Assigned	Means with respect to any month and any Service Provider Personnel, the number of Monthly Business Days that such Service Provider Personnel is assigned full time to the performance of Services.
Monthly Invoice	Has the meaning given in **Section 12.1(a)** of the Agreement.
Monthly Invoice Amount	Means Charges due and owing for the preceding month, including the Monthly Base Charge and any additional Charges, including, to the extent applicable, ARC/RRC adjustments, ECA adjustments, payments for Transition Milestones, Transformation Milestones, HSC/SSC Charges, and any other amounts payable by DIR to Service Provider pursuant to the express terms of the Agreement.
Monthly Productive Hours Worked	Means with respect to any month and any Service Provider Personnel, the number of productive hours worked by such Service Provider Personnel, excluding non-productive time (e.g. commuting time, vacation, holidays, training unrelated to the Services, education, marketing, administrative staff meetings, medical leave, and military leave).
Monthly Resource Baseline(s)	Means the number of Resource Units set forth in **Attachment 4-D** for a Resource Unit Category(ies) that are included in the Monthly Base Charge.
MSDOS Legacy Server	Means an Application Server with MSDOS operating systems.
MSI	Means the Multisourcing Service Integrator who has entered into a contract with DIR for the Multisourcing Service Integrator SOW.
Multi-Supplier Environment	Has the meaning given in **Section 9.15** of the Agreement.
N/N-1	Means the version of Software designated and/or approved by DIR or the applicable governance committee, as the current standard for deployment. N-1 is one release prior to the above-described designated or approved Software version.
Network	Means collectively, WAN, LAN, and other communication or transport networks.
Network Component Provider	Means the DCS Service Provider who has entered into a contract with DIR for the Network Statement of Work.

Term	Definition
Network Software	Has the meaning given in **Attachment 4-B**.
Network Topology	Means the arrangement in which the nodes or interfaces to the Network are connected.
New Advances	Has the meaning given in **Section 9.12(e)** of the Agreement.
New Services	Means services requested by DIR, DIR Customers, or required by applicable Laws (without limiting the obligation of the Parties under **Section 15.11** of the Agreement) (i) that are materially different from the Services, (ii) that require materially different levels of effort or resources from Service Provider to provide the Services, and (iii) which are not required for Service Provider to meet the Service Levels. For the avoidance of doubt, New Services shall not include (a) increases in the volume of Services for which there is an associated Resource Baseline or charging methodology, or (b) the disaggregation of an existing service from a Functional Service Area.
Nine-Month Measurement Window	Means if **Section 8.1** of **Exhibit 3** is used to establish the Expected Service Level and Minimum Service Level commitments, the nine (9) consecutive months of measurements immediately preceding the month in which DIR provided written notice to Service Provider.
Noncompliance	Means each instance that the Software, Equipment, Systems, or other Deliverable or milestone fails to meet its Acceptance Criteria or is otherwise deficient in DIR's reasonable discretion (in accordance with the Service Management Manual or other criteria agreed by the Parties, to the extent applicable).
Non-Consolidated Service Location	Means Legacy Data Centers and Business Offices.
Notice of Election	Has the meaning given in **Section 17.4(a)** of the Agreement.
One-Time Charges	Means any Charges that are specified by the Service Provider and which are non-recurring and are typically associated with start-up and implementation costs.
One-Time Deliverables	Means those Deliverables that are non-recurring that have associated Deliverable Credits payable to DIR in the event Service Provider fails to successfully and timely complete such Deliverables.
Online System	Computer system that is a part of, or is embedded in, a larger entity, such as a communications system, and that interacts in real or near-real time with the entity and its users.

Term	Definition
Operating Software or Systems Software	Means all software programs and programming (and all modifications, replacements, Upgrades, enhancements, documentation, materials, and media related thereto) that perform tasks basic to the functioning of the Equipment and are required to operate the Applications Software or otherwise support the Services of the Service Provider. Operating Software or Systems Software shall include all such programs and programming in use or required to be used as of the Commencement Date, including those set forth in **Exhibit 11** to the Agreement, those as to which the license, maintenance or support costs are included in the Financial Base Case, and those as to which Service Provider received reasonable notice and/or access prior to the Commencement Date. Operating Software or Systems Software also shall include all such programs and programming developed and/or introduced by or for DIR, any DIR Customer or Service Provider during the Term. Operating Software or Systems Software includes systems utilities. For the purposes of clarity, financial responsibility for Software shall be governed by the Financial Responsibility Matrix and financial responsibility for Third Party Contracts shall be governed by **Exhibit 12** and **Article 6** of the Agreement.
Operating Level Agreement (OLA)	Has the meaning given in **Section 4.1(a)(i)(4)** of the Agreement.
Out-of-Pocket Expenses	Means reasonable, demonstrable and actual expenses due and payable to a Third Party by Service Provider that are approved in advance by DIR and for which Service Provider is entitled to be reimbursed by DIR under the Agreement. Out-of-Pocket Expenses shall not include Service Provider's overhead costs (or allocations thereof), general and/or administrative expenses or other markups. Out-of-Pocket Expenses shall be calculated at Service Provider's actual incremental expense and shall be net of all rebates and allowances.
Outage	Means a condition such that a System, Service, Application System, Equipment or network component is not Available or is substantially not Available and is impacting normal business operations.
Party and Parties	Has the meaning given in the recitals to the Agreement.
Pass-Through Expense(s)	Means the Service Provider expenses listed in **Exhibit 4** which DIR has agreed to pay directly or reimburse to Service Provider on an Out-of-Pocket Expenses basis.
PCI-DSS	Has the meaning given in **Section 13.5(d)** of the Agreement.
Peer Group	Means tier one providers of services that are the same as or similar to the

Term	Definition
	Services and that are matched to the defined Assessed environment.
Performance Category	Means a grouping of Critical Service Levels or Key Measurements as set forth in **Attachment 3-A** . Critical Deliverables do not constitute a Performance Category.
Personnel Projection Matrix	Has the meaning given in **Section 8.6(d)** of the Agreement.
Physical DBA	Means the database administrator responsible for the environmental aspects of a database, including but not limited to the following activities: - Supporting the design and implementation of multiple production, test and development database subsystems, exclusive of table creation for Development and Initial Test Environments. - Capacity planning for database instances and reorganizing as necessary. - Performing stress testing and database performance tuning. - Installing, maintaining, and monitoring the DBMS Software and products, including technical advice and support to the ADM staffs and Logical DBAs as may be required.
Plan	Has the meaning given in **Section 13.3(i)(ii)** of the Agreement.
Pool Percentages Available for Allocation	Means a percent of the At-Risk Amount as indicated in Attachment 3-A on the Service Levels tab(s). Each Service Component will have its own Pool Percentage Available for Allocation.
Portal	Means a type of content management web site, password protected to allow secured access to and input of content as required in **Exhibit 2.1** to the Agreement.
Pre-Production or Pre-Production Environment	Means the system environment that closely simulates Production; has minimal changes; and is used for testing applications, software, and databases just prior to migration to Production.
Print Document Files	Means files containing print control characters, language and text used to tell a printer how and what to print on a page.
Print-Mail Component Provider	Means the DCS Service Provider who has entered into a contract with DIR for the Print-Mail Statement of Work.
Priority 1 Applications	Means the Applications designated as “Priority 1 Applications” pursuant to the Service Management Manual.

Term	Definition
Priority 2 Applications	Means the Applications designated as "Priority 2 Applications" pursuant to the Service Management Manual.
Privacy Laws	Means Laws relating to data privacy or data protection.
Problem	Means an underlying cause of one or more Incidents. A Problem is labeled a "Known Error" when the root cause is known and a temporary workaround or permanent solution has been identified.
Problem Management	Means the process of tracking and managing all problems arising in DIR and DIR Customer's IT environment, and resolving those problems arising from or related to the Services.
Problem Tracking System	Means the functionality and technical characteristics of the system described in **Exhibit 2.1** to the Agreement.
Production or Production Environment	Means the system environment in which an organization's data processing is accomplished. This environment contains DIR Customer's business data and has the highest level of security and availability of all environments (includes training and other Production-like environments).
Project(s)	Has the meaning given in **Section 4.7** of the Agreement.
Project Deliverable	Has the meaning given in **Section 4.7(d)** of the Agreement.
Project Pool Hours	Has the meaning given in **Exhibit 4**.
Proposal	Has the meaning given in the preamble to the Agreement.
Proposal Documents	Has the meaning given in Section 2(f) of the Agreement.
Protected Health Information (PHI)	Has the meaning given in **Section 13.3(i)** of the Agreement.
Public Information Act	Has the meaning given in **Section 13.1(b)(vii)** of the Agreement.
Quality Assurance (QA)	Means the actions, planned and performed, to provide confidence that all processes, Systems, Equipment, Software, and components that influence the quality of the Services are working as expected individually and collectively.
Recovery Point Objective (RPO)	Means the recovery point objectives, as designated in **Attachment 4-E**, expressed as the acceptable amount of data loss measured in time prior to an event that has been declared as a disaster.
Recovery Time Objective	Means the recovery time objectives, as designated in **Exhibit 16**,

Term	Definition
(RTO)	expressed as the duration of time within which an Application, including all technology components included in the DIR Customer DR Plan must be recovered, restored and operational starting from the time of declaration of a disaster.
Recurring Deliverables	Means those Deliverables to be provided on a scheduled and recurring basis that have associated Deliverable Credits payable to DIR in the event Service Provider fails to successfully and timely complete such Deliverables.
Reduced Resource Credit (RRC)	Means the incremental credits set forth in **Exhibit 4** to the Agreement for the use of Services below the Monthly Resource Baselines for such Services.
Refresh	Means the upgrading and/or replacing of Equipment and Software during the Term.
Renewal Term	Has the meaning given in **Section 3.2** of the Agreement.
Reports	Has the meaning given in **Section 9.2(a)** of the Agreement.
Request Management	Means the process of tracking and managing all requests from Authorized Users arising in DIR's and DIR Customers' IT environment, and resolving those requests arising from or related to the Services.
Required Consent(s)	Means the consents (if any) required to be obtained: (i) to assign or transfer to Service Provider DIR licensed Third Party Materials, Third Party Contracts, Equipment Leases or Acquired Assets (including related warranties); (ii) to grant Service Provider the right to use and/or access the DIR licensed Third Party Materials, Third Party Contracts, and DIR Provided Equipment in connection with providing the Services; (iii) to grant DIR, the DIR Customers and/or their designee(s) the right to use and/or access the Service Provider Owned Materials, Third Party Materials and Equipment acquired, operated, supported, used, or required to be used by Service Provider in connection with providing the Services; (iv) to assign or transfer to DIR, the DIR Customers and/or their designee(s) any Developed Materials to the extent provided in the Agreement; (v) to assign or transfer to DIR, the DIR Customers and/or their designee(s) Service Provider Owned Materials, Third Party Materials, Third Party Contracts, Equipment leases or other rights following the Term to the extent provided in the Agreement; and (vi) all other consents required from third parties in connection with Service Provider's provision of, and DIR's and the DIR Customers' receipt and use of, the Services and Service Provider's performance of its obligations hereunder.

Term	Definition
Resolution Time	Means the number of minutes between the Start Time for an Incident and the time such Incident is Resolved.
Resolve or Resolution	Means the restoration of full service or the completion of the service request in a manner acceptable to DIR or the applicable Authorized User in their reasonable discretion. Resolution may include the restoration of full service by workaround or other alternative means.
Resource Baseline(s)	Means the number of Resource Units set forth in **Attachment 4-D** for a Resource Unit Category(ies) that are included in the Annual Base Charge.
Resource Baseline True-Up or True-Up	Has the meaning given in Section 8 of **Exhibit 4**.
Resource Unit Category	Means a category of Resource Units which are measured and with respect to which charging rates or other charging mechanisms apply.
Resource Unit (RU)	Means a measurable device, unit of consumption, or other unit or resource utilization associated with the Services, as described in **Exhibit 4** to the Agreement, that is used for purposes of calculating Charges, including calculating ARCs and RRCs as described in **Exhibit 4** to the Agreement.
Response	Has the meaning given in the recitals of the Agreement.
Response Time	Means the number of elapsed minutes between the time a Call is received and the time Service Provider responds to the Authorized User or other designated DIR contact to acknowledge and verify the problem.
Retained Employees	Means those employees who will retain their employment with DIR or DIR Customers.
Retained Expense(s)	Means the expense types or amounts retained by DIR Customers as set out in **Exhibit 4** to the Agreement.
Retained Systems and Processes	Means those systems and processes of DIR or a DIR Customer for which Service Provider has not assumed responsibility under the Agreement (including those provided, managed, operated, supported and/or used on their behalf by DIR Contractors). Retained Systems and Processes include equipment and software associated with such systems and processes.
RFO	Has the meaning given in the recitals of the Agreement.

Term	Definition
Root Cause Analysis (RCA)	Means the formal process, specified in the Service Management Manual, to be used by Service Provider to diagnose the underlying cause of problems at the lowest reasonable level so that effective corrective action can be taken.
Scheduled Downtime	Means a period in which a subject Service component is not required to be Available due to scheduled time required to perform system maintenance (for example, preventive maintenance, system upgrades, etc.), provided that such period has been mutually agreed between the Parties and is scheduled so as to minimize the impact to DIR's business. The Service Provider shall maintain Availability during such periods to the extent reasonably practicable.
Scheduled Operations	Means the period specified in the Service Management Manual during which Service Provider is obligated to provide problem resolution with respect to particular Services or Service components in accordance with the applicable Severity Level.
Secure Document Storage	Means a physical storage location with security controls that restricts check in and check out of document forms only to authorized personnel.
Security Assessment Company	Has the meaning given in **Attachment 17-C**.
Security Design Review	Means an evaluation of network architecture, including its physical and logical topology, from a security perspective.
Security Plan	Has the meaning given in **Exhibit 2.1/2.1.2**. Section 2.6.1 (General Security Management).
Security Program	Has the meaning given in **Attachment 17-C**.
Security Software	Has the meaning given in **Attachment 4-B**.
Server	Means any computer that provides shared processing or resources (e.g. Application processing, database, mail, proxy, firewalls, backup capabilities, print, and fax services) to Authorized Users or other computers over the Network. A Server includes associated peripherals (e.g. local storage devices, attachments to centralized storage, monitor, keyboard, pointing device, tape drives, and external disk arrays) and is identified by a unique manufacturer's serial number.
Server Component Provider	Means the DCS Service Provider who has entered into a contract with DIR for the Server Statement of Work.

Term	Definition
Services	Has the meaning given in **Section 4.1(a)** of the Agreement.
Service Component	Means a single area which is represented with a Statement of Work (i.e. Mainframe, Server, Network, Data Center, and Print-Mail).
Service Component Provider	Means, collectively, all Service Providers, excluding the MSI, who have entered into an agreement with DIR to provide the services contemplated by one or more Statement(s) of Work (i.e. Server Component Provider, Network Component Provider, Print-Mail Component Provider, Data Center Component Provider, and Mainframe Component Provider).
Service Delivery Failure	Has the meaning given in **Exhibit 3** to the Agreement.
Service Desk	Means the facilities, associated technologies, and fully trained staff who respond to Calls, facilitate all Incident Management, Problem Management, Change and Request Management activities, and act as a single point of contact for coordination and communication to Authorized Users and Service Providers in regard to the Services.
Service Level Credit Allocation Percentage	Means the percentage of the Allocation of Pool Percentage allocated to a Critical Service Level within a Performance Category.
Service Level Credits	Means the monetary amounts that the Service Provider shall be obligated to pay to DIR (or apply against Monthly Charges) in the event of Service Level Defaults.
Service Level Credit Start Date	Means the period beginning ninety (90) days after the Commencement Date wherein Service Provider will be liable for Service Level Credit(s) or CAP Failure Credit(s).
Service Level Invoice Amount	Means Charges due and owing for the preceding month, including the Monthly Base Charge and any additional Charges, including, to the extent applicable, ARC/RRC adjustments, ECA adjustments and any other amounts payable by DIR to Service Provider pursuant to the express terms of the Agreement (excluding payments for Transition Milestones Transformation Milestones, and HSC/SSC Charges).
Service Level Default	Means an Expected Service Level Default or Minimum Service Level Default.
Service Levels	Means, individually and collectively, the quantitative performance standards for the Services set forth in **Exhibit 3** to the Agreement.

Term	Definition
Service Management Manual	Means the management procedures manual for the Services.
Service Provider	Means Capgemini America, Inc.
Service Provider Account Manager	Has the meaning given in **Section 8.2** of the Agreement and shall describe the Service Provider representative responsible for both the day-to-day relationship with DIR and the DIR Customers as well as the delivery of all Services to DIR and the DIR Customers.
Service Provider Facilities	Means, individually and collectively, the facilities owned or leased by Service Provider (or its Affiliates or Subcontractors) from which Service Provider (or its Affiliates or Subcontractors) provides any Services and which are listed on **Attachment 7-B**.
Service Provider Laws	Has the meaning given in **Section 15.11(d)** of the Agreement.
Service Provider Owned Materials	Has the meaning given in **Section 14.3(a)** of the Agreement.
Service Provider Personnel	Means those employees, representatives, contractors, subcontractors, and agents of Service Provider and its Subcontractors.
Service Request (or Request for Service)	Means a request for information, advice, access or standard change to an IT service that does not require solution proposal development. Examples of such Service Request include provisioning ID access, password resets, and Service Catalog requests.
Service Taxes	Means all sales, use, excise, and other similar taxes that are assessed against either Party on the provision of the Services as a whole, or on any particular Service received by DIR or the DIR Customers from Service Providers, excluding Income Taxes.
Service Tier Matrix	Is **Attachment 4-E** and defines the services associated with each tier of service and the entry requirements for each tier of service.
Services	Has the meaning given in **Section 4.1(a)** of the Agreement.
Severity Level	Means the categorization of a problem associated with the Services based on the potential impact of the problem to DIR and any DIR Customer, as further defined in **Attachment 3-E**.
Severity Level 1	Has the meaning given in **Attachment 3-E**.

Term	Definition
Severity Level 2	Has the meaning given in **Attachment 3-E**.
Severity Level 3	Has the meaning given in **Attachment 3-E**.
Severity Level 4	Has the meaning given in **Attachment 3-E**.
Software	Means all Materials consisting of software programs and programming (and all modifications, replacements, Upgrades, enhancements, documentation, materials and media related thereto), including Antivirus Software, Application Software, Development Tools and System Software.
Software AG Licenses	Means license agreements between Software AG and DIR Customers existing as of the Effective Date and to be used by Service Provider (including Subcontractors) in connection with the performance of the Services.
Software Service Charge (SSC)	Has the meaning given in **Exhibit 4** of the Data Center Services Service Component Provider Master Services Agreement (DIR Contract Number DIR-DCS-SCP-MSA-002).
Solution Request or Request for Solution	Means a Service Request that requires development of a proposal for DIR Customer approval to fulfill the request.
Specialized Services	Has the meaning given in **Section 9.8** of the Agreement.
Specifications	Means, with respect to processes, Software, Equipment, Systems or other contract deliverables to be designed, developed, delivered, integrated, installed, and/or tested by Service Provider, the technical, design and/or functional specifications set forth in Third Party Vendor documentation, in a New Services or Project description requested and/or approved by DIR, or otherwise agreed upon in writing by the Parties.
Standard of Due Care	Means then-current accepted industry best practices for network and data security that are employed by members of the Peer Group.
Standard Work Hours	Means, in any given month, one hundred and fifty (150) hours as used in the equation to determine FTP resources utilized.
Start Time	Means, with respect to an Incident or a Call, the time when the Incident ticket is created. With respect to an Outage, the earlier of the time when the Incident is detected or should have been detected (by the applicable monitoring for the System). If more than one ticket is created for the same root cause, the Start Time shall be based on the earliest of the ticket creation times.

Term	Definition
State	Means the State of Texas, unless expressly stated otherwise.
State Data Center(s)	Means the State data center in San Angelo, Texas, or Austin, Texas.
State Legislature	Means the governmental legislative body of the State.
State of Texas Brand	Means a distinctive name or trademark identifying the State.
Strategic Plan	Means the plans that may be periodically developed by DIR that set forth DIR's key operational objectives and requirements and outline its strategies for achieving such objectives and requirements. DIR may revise the Strategic Plan from time to time. The Strategic Plan is likely to include both annual and multi-year strategies, objectives, and requirements.
Statement(s) of Work (SOW)	Means **Exhibit 2** and its attachments.
Stub Period	Means the period commencing on the Commencement Date and ending on August 31, 2012.
Subcontractors	Means subcontractors (of any tier) of Service Provider, including Affiliates of Service Provider performing Services under the Agreement pursuant to **Section 9.11(c)** of the Agreement. The initial list of Subcontractors is set forth on **Exhibit 21** to the Agreement.
Support Center	Means the Service Provider's facilities, associated technologies, and fully trained staff who respond to Calls, coordinate all Incident Management and Problem Management and Request Management activities, and act as a central point of contact for Authorized Users in regard to the Services.
System	Means an interconnected grouping of manual or electronic processes, including Equipment, Software and associated attachments, features, accessories, peripherals and cabling, and all additions, modifications, substitutions, Upgrades or enhancements to such System. Systems shall include all Systems in use or required to be used as of the Commencement Date, all additions, modifications, substitutions, Upgrades, or enhancements to such Systems and all Systems installed or developed by or for DIR, the DIR Customers or Service Provider during the Term.
Systems Overhead	Means non-billable Resource Units used by the Service Provider to measure and calculate DIR Customers' resource usage, to perform Service Provider billing functions, used for capacity planning studies or attributable to reruns that are due to the fault of Service Provider, and such other Service Provider usage set forth as such in **Exhibit 4** to the

Term	Definition
	Agreement.
Technology Evolution	Means any improvement, upgrade, addition, modification, replacement, or enhancement to the standards, policies, practices, processes, procedures, methods, controls, scripts, product information, technologies, architectures, standards, equipment, software, systems, tools, products, transport systems, interfaces and personnel skills available to provide the Services in line with the best practices of first tier leading providers of services that are the same as or similar to the Services. Technology Evolution includes, as relating to such items for such purpose: higher capacity, further scaling and commercializing of processes, more efficient and scalable processes, new versions and types of applications and systems/network software, new operational or IT Infrastructure processes, and new types of hardware and communications equipment that shall enable Service Provider to perform the Services more efficiently and effectively as well as enable DIR and the DIR Customers to meet and support their operational requirements and strategies.
Technology Plan	Has the meaning given in **Section 9.5(d)** of the Agreement.
Technical Recovery Guide	Means a compilation of technical information, procedures, environmental configurations, operations and dependencies required to document each environment to ensure technical recovery of hardware, Operating System, storage, Network and other Equipment. Technical Recovery Guides capture operational elements, dependencies and instructions which must be re-enabled and sequenced appropriately to restore business operations. Attachment 16-A further defines the specific content which must be included in the Technical Recovery Guides.
Term	Means the Initial Term and the Renewal Terms, if any, including any period during which Termination Assistance Services are provided by Service Provider under the Agreement.
Termination Assistance Services	Means (i) the Services (including the terminated, insourced, resourced or expired Services, the Services described in **Section 4.4** of the Agreement, the Services described in **Exhibit 23** to the Agreement and, in each case, any replacements thereof or supplements thereto), to the extent DIR requests such Services during a Termination Assistance Services period; (ii) Service Provider's cooperation with DIR, DIR Customers and their designee(s) in the orderly transfer of the Services (or replacement or supplemental services) to DIR, the DIR Customers and/or their designee(s); and (iii) any New Services requested by DIR in order to facilitate the transfer of the Services (or replacement or supplemental services) to DIR, the DIR Customers and/or their designee(s).

Term	Definition
Termination Charge	Means the termination charges payable by DIR as set forth in **Exhibit 4** to the Agreement. The Termination Charge shall be calculated as of the later of (i) the end of the Term (or the date of termination of the applicable Services under the Agreement), and (ii) the satisfactory completion of all Termination Assistance Services.
Third Party	Means, whether or not capitalized, a legal entity, company, or person(s) that is not a Party to the Agreement, and is not an Affiliate of a Party.
Third Party Contract(s)	Means all agreements between third parties and DIR, any DIR Customer, or Service Provider that have been or shall be used to provide the Services. Third Party Contracts include all such agreements in effect as of the Commencement Date, including those contracts identified in **Exhibit 12** to the Agreement, those as to which the costs are included in the Financial Base Case, and those as to which Service Provider received reasonable notice and/or access prior to the Commencement Date. Third Party Contracts shall also include all such agreements that are entered into by DIR, any DIR Customer, or Service Provider during the Term.
Third Party Materials	Means Materials that are owned by Third Parties and provided under license or lease to Service Provider, DIR or any DIR Customer and that have been or shall be used to provide or receive the Services. Third Party Materials shall include Materials owned by Subcontractors (excluding Affiliates of Service Provider) and used in the performance of the Services. Without limiting the foregoing, Third Party Materials shall include all such Materials in use or required to be used as of the Commencement Date, including those set forth in **Exhibit 11** to the Agreement, those as to which the license, maintenance or support costs are included in the Financial Base Case and those as to which Service Provider received reasonable notice and/or access prior to the Commencement Date. Third Party Materials shall also include all such programs and programming licensed and/or leased to DIR, any DIR Customer or Service Provider during the Term.
Third Party Vendor(s)	Means a Third Party that provides products or services to any Party that is related to, or is in support of, the Services (e.g. hardware vendors, premier support contracts, etc.). Third Party Vendors do not include Subcontractors.
Transformation CAP Notice	Has the meaning given in **Section 4.3** of the Agreement.
Transformation Milestones	Has the meaning given in **Section 4.3(b)(ii)** of the Agreement.
Transformation Plan	Means the plan set forth in **Exhibit 20** to the Agreement and developed and updated pursuant to **Section 4.3** of the Agreement, which identifies all material transformation activities and deliverables to be completed and

Term	Definition
	provided by Service Provider in connection with the consolidation and transformation by Service Provider of the Services, and the dates by which each is to be completed by Service Provider.
Transformation Services	Means the consolidation activities, functions and deliverables, and the implementation of the technology and other process changes, described in the Transformation Plan.
Transition and Transformation Charges	Has the meaning given in Section 10 of **Exhibit 4.**
Transition CAP Notice	Has the meaning given in **Section 4.2** of the Agreement.
Transition Milestones	Has the meaning given in **Section 4.2(b)** of the Agreement.
Transition Plan	Means the plan set forth in **Exhibit 19** to the Agreement and developed and updated pursuant to **Section 4.2** of the Agreement, which identifies all material transition activities and deliverables to be completed and provided by Service Provider in connection with the migration to Service Provider of the Services, and the dates by which each is to be completed by Service Provider.
Transition Services	Means the transition activities, functions and deliverables described in the Transition Plan and such other tasks as are necessary to enable Service Provider to provide the Services.
Transport	Means a commercial service providing the carriage or transmission of voice, video, or data electronic impulses over a distance.
True-Up Deadband	Means the volume range expressed as a percentage of the Resource Baseline Volume used in the Resource Baseline True-Up process. If the adjusted baseline volumes are within this volume range there is no change to the Charges.
Type R Service Levels	Type R Service Levels are related measures shared between the MSI and the Service Component Provider(s) as defined in **Exhibit 3**.
Type S Service Levels	Type S Service Levels are shared between the MSI and an individual Service Component Provider as defined in **Exhibit 3**.
Type U Service Levels	Type U Service Levels are intended to measure Services that are specific to one DCS Service Provider's performance, and therefore are not shared between DCS Service Providers as defined in **Exhibit 3**.
Unanticipated Change	Has the meaning given in **Section 11.7** of the Agreement.

Term	Definition
Upgrade(s)	Means updates, patch installations, modifications, renovations, refreshes, enhancements, additions, substitutions and/or new versions or releases of Software or Equipment. For purposes hereof, a workaround or fix to Software or Equipment also constitutes an Upgrade.
Use	Means to load, access, execute, use, manipulate, practice, process, make, have made, operate, copy, execute, compile, store, purge, reproduce, display, perform, distribute, transmit, receive, modify, maintain, enhance, upgrade, store, create Derivative Works, and exercise any other similar rights.
Utility / Monitoring & Management Software	Shall have the meaning given in **Attachment 4-B**.
Utility Server(s)	Means the following types of Servers: Email, Enterprise SMTP Relay, File and Print, Enterprise Gateway, Presentation/Terminal, and Identity Management Solutions.
Utility Server Infrastructure Stack Software	Means Antivirus Software, E-mail / Collaborative Software, Infrastructure Management Software, Operating Software, and Utility / Monitoring & Management Software used in the operation of Utility Servers.
Versioned	Means changes are rolled out in distinct releases, the version of the release is maintained in the artifacts being rolled out for compatibility, prior versions are phased out over time though a standard process and all changes are documented.
Wide Area Network (WAN)	Means a long-haul, high-speed backbone transmission Network, consisting of WAN Equipment, Software, Transport Systems, Interconnect Devices, and Cabling that, and other services as they become available that are used to create, connect, and transmit data, voice and video signals to within, between or among: (i) LANs, and (ii) other locations that do business with the State and for which DIR is responsible for allowing Connectivity.
Winters Data Center	Means the Legacy Data Center located at 701 W. 51st Street, Austin, Texas, 78751.
Wiring	Means wiring that is generally permanent and embedded in the facility. Choices in cost and implementation are often driven by standards for the facility (BICSI or ANSI/TIA or other low-voltage standards specifying such things as plenum or non-plenum, UTP, Cat-6e, etc.). Wiring installation often calls for certifications. Wiring installation often requires physical changes in the building (e.g. boring through walls or

Term	Definition
	flooring) to be done in coordination with the building management.
Work Order	Has the meaning given in the Agreement.
Work Product	Means (i) all reports and manuals, including Transition Plans, Transformation Plans, business requirements documents, design documents, manuals, training and knowledge transfer materials and documentation, (ii) the Service Management Manual, (iii) Desktop Procedures, and (iv) any literary works and other works of authorship created under the Agreement that express, embody or execute or perform a function, method or process that is specific to the business of DIR or DIR Customers.