

## Basic Contractual Terms and Definitions

**agreement:** Generally, a document that records the consensus reached by two or more parties. An agreement is not always synonymous with a contract because it might lack an essential element of a contract, such as consideration (see the definition of “contract” for more on consideration). “Agreement” is the official name that IBM® gives to its standard contracts.

**amendment:** A document that modifies the terms of an agreement and that is usually created later in time than (not contemporaneous with) the agreement.

**attachment:** A document that records terms in addition to those specified within the IBM Customer Agreement (ICA) contract structure. An attachment, which may or may not be contemporaneous with the ICA, is signed by both the customer and IBM, if so requested by either party.

**contract:** An agreement with specific terms between two (or more) persons or entities in which there is a promise to do something in return for a valuable benefit, which is known as “consideration.” Within the IBM Customer Agreement (ICA) contract structure in particular, a contract consists of several documents, such as the ICA itself, attachment(s), and various transaction documents.

**exhibit:** Within IBM's contract structure, a transaction document that typically contains such elements as eligible products by category, discount schedules, or available contract periods.

**IBM Customer Agreement (ICA):** The primary customer relationship contract (in the U.S.) between IBM and an end-user customer, under which such a customer acquires IBM hardware, some IBM software, and most IBM services.

**incorporated term:** A term of another agreement (or an entire agreement) that is intended to have the same effect as if set forth in full in the present agreement. Usually specified in the present agreement as “incorporated by reference” into the present agreement.

**International Program License Agreement (IPLA):** IBM's “End User License Agreement” for IBM-logoed one-time charge software. In some instances, the charge may also be a charge for a fixed term; the fixed term may or may not be renewable.

**invoice:** Within IBM's contract structure, a transaction document that is an itemized statement of products or services sent to a customer by IBM. The invoice indicates the item, quantity, and amount due for products or services.

**schedule:** A term that is not normally used within IBM's contract structure, but that is sometimes used in various customer-negotiated contracts to represent various imported examples or terms. “Schedule” is synonymous with “exhibit.” A schedule becomes part of the basic agreement, but is appended to it.

**supplement:** Within the IBM Customer Agreement (ICA) contract structure, a transaction document that is added to complete a transaction, for example, machine quantity and type ordered, price, estimated shipment date, and warranty period.

**transaction document:** Within the IBM Customer Agreement (ICA) contract structure, a document that confirms the specific details of the transaction. A transaction document is considered part of the ICA. For each business transaction, IBM provides the customer with the appropriate transaction documents. Transaction documents are signed by both the customer and IBM, if either party so requests. Examples of transaction documents include addenda (contract-period duration, start date, and total quantity); change authorizations (description of agreed changes to an existing Service statement of work); and statements of work (scope of services, responsibilities, deliverables, completion criteria, estimated schedule or contract period, and charges).