Frequently Asked Questions
PROS Subscription Agreement & Contracting Process

As you consider PROS as your partner in your digital transformation, it is natural to have questions about the contracting process. We want to address the most common questions our prospective customers ask about the PROS Master Subscription Agreement ("**MSA**") and other related documents [i].

What is PROS providing to my company?

PROS provides solutions that optimize shopping and selling experiences. PROS solutions leverage artificial intelligence ("AI"), self-learning, and automation to ensure that every transactional experience is fast, frictionless, and personalized for every shopper, supporting both business-to-business ("B2B") and business-to-consumer ("B2C") companies across industry verticals. Companies can use these selling, pricing, revenue optimization, distribution and retail, and digital offer marketing solutions to assess their market environments in real time to deliver customized prices and offers. PROS' decades of data science and AI expertise are infused into its solutions and are designed to reduce time and complexity through actionable intelligence.

PROS leverages the same cloud infrastructure, security measures, and support processes for all customers using the same software-as-a-service offering ("**Subscription Service**"). This allows PROS to offer cost-effective solutions to our customers, operating across 40+ industries and including over 10% of Fortune 100 companies, without sacrificing performance, security, and the exceptional user experience that drives our higher than 93% renewal rate.

Although PROS' solutions are highly configurable to address each individual customer's business needs, PROS does not customize the software code itself, which means every PROS customer is using the same version of any given Subscription Service.

Why use the PROS MSA?

We want to make the contracting process as frictionless for our customers as possible. We have crafted our MSA with the deliberate goal of ensuring not only that the terms are better than the best practices of other enterprise SaaS companies, but also that they address our customers' common concerns. We periodically review our MSA terms, take into account customer feedback and common asks, and update those terms to further improve the contracting process. All our customers, whether a large enterprise customer, a global airline, or a smaller niche industry player, benefit from those same terms.

Our MSA covers terms and conditions that are specific to cloud-based solutions that are not included in a typical vendor form your organization may have. For example, our MSA includes third party audited and certified security obligations, service availability commitments, support procedures, liability super caps for breach of PROS security or privacy obligations, and warranties that are all to your benefit.

We are so confident in our MSA terms we make them as transparent as possible, even opening them up to independent scrutiny. As well as being available on our website for full visibility, our MSA terms and conditions have been certified by an independent contract review firm as "80% customer favorable", in the top 6% of all vendor forms, and with zero deal breakers. For an independent review and summary of the PROS MSA, see here.

How does PROS safeguard my data?

Data security is a top priority for PROS. PROS Information Security Management System is designed to:

- Establish directives and principles for action regarding information security;
- Document and maintain compliance with statutory, regulatory, and contractual requirements, including SOC1, SOC2, SOX, GDPR, CCPA, CSA STAR, ISO 27001, and ISO 27018; and
- Monitor, evaluate and adjust, as appropriate, considering relevant changes in technology, threats to PROS or to customer data and security and privacy regulations applicable to PROS.

All customer data is treated as confidential, and PROS maintains policies and procedures to ensure the confidentiality, integrity, and availability of customer data. Specifically, customer data in the PROS cloud is firewalled on a secured network; safeguarded by industry standard SSL/TLS encryption both in transit and at rest; and fortified using industry standard network intrusion detection and prevention systems.

An independent third party will audit the Subscription Services annually for compliance with the following standards (or their successor equivalents):

- SOC 1 Type II;
- SOC 2 Type II;
- ISO 27001;
- ISO 27018; and
- Cloud Security Alliance STAR standard.

This gives our customers independent third-party assurance that PROS consistently enforces these controls so that your data will be strictly safeguarded at all times.

Our ability to consistently deliver on our promise to secure customer data in the PROS cloud environment is predicated on the consistency of security practices across all customer environments. Therefore, it is not feasible to manage our operations in a manner to meet multiple or conflicting customer security policies. The strict standards embodied in our security practices are designed to accommodate, and even surpass, most customer requirements and expectations in that regard.

For further information, please see here. A copy of our most current SOC 2 audit report can be provided on request.

Can we attach our own security or privacy exhibits to the MSA?

To ensure the requisite security in our multi-tenant SaaS environment and the timely completion of our annual SOC1 and SOC2 audit report, our security commitments must remain uniform across our customer base. There is no customized version of our Subscription Service or our security and privacy policy that would allow us to treat one customer or its data differently from other customers. For that reason, PROS is unable to adapt its security and privacy policies to customer templates or other customized contract requirements.

Can customers audit PROS or conduct penetration testing of PROS systems?

PROS takes security very seriously. There is no need for our customers to conduct time consuming and costly audits on our systems. We engage third party auditors who conduct a thorough review of our cloud operations as part of our periodic SOC 2 audit report or comparable industry-standard successor report.

PROS can provide you objective evidence that it is maintaining its controls by providing copies of its most current SOC 2 audit report or comparable industry-standard successor report. Letters of attestation from an independent testing organization are available, upon request, as evidence of penetration testing results.

How does PROS prioritise privacy and protect personal data?

Global privacy laws are constantly expanding, and these laws impose rules around how personal data may be handled, including strict standards on consent, transparency, profiling, recordkeeping, data breach notification, and individual access rights. As a global company, with customers and employees in many jurisdictions around the globe, PROS processes personal data when providing services to its customers.

With respect to customer data, PROS is a "processor" of personal data. For details of the personal data PROS processes for each of our Subscription Services, please see here.

PROS only processes personal data as directed by our customers and as required to provide the service. To the extent PROS' solutions and processing activities for a particular customer fall within the remit of global data protection laws (including GDPR, CCPA, and others), PROS will enter into a Data Processing Addendum specifying the terms and conditions applicable to such processing activities.

As part of our standard contract package, we have Data Processing Addendums that are applicable to the jurisdiction where the personal data is being processed. These Addendums contain all the relevant legal obligations on PROS as a processor and are tailored specifically to our SaaS platforms.

Where are you hosting my data?

PROS provides our Cloud Regions in optimal geographic locations to minimize latency and observe local legislative requirements. Strategically positioned data region pairs are located within the Global Microsoft Azure, IBM Cloud and AWS network and we are deployed in primary and secondary pairs for backup and failover. There are currently PROS region pairs in the Americas, northern Europe, the Middle East, and Australia.

Will PROS take ownership of my data? What happens to my data if the contract ends?

PROS' customers own their data at all times. You may request that we provide a copy of your data within 30 days after the expiration or termination of a contract. After such 30-day period, we will irretrievably purge all your data from our systems.

What level of availability can I expect from PROS solutions?

PROS Subscription Service Availability commitment for a given calendar month is between 99.9% and 99.99% depending on the PROS Subscription Service. For more details and the Availability commitment for your Subscription Service, please see our service level agreement ("**SLA**") available at www.pros.com/saas/sla/.

If the Subscription Services fail to meet the Service Availability Commitment, you may be entitled to receive a Service Credit, which is a percentage of the total charges paid for the Subscription Service for the month in which the Service Availability fell below the Service Availability Commitment. The percentage of the Service Credit depends on the level of availability, with a maximum of 50% if the availability is less than 95%.

Because service levels are specifically tailored to the software and cloud architecture of each of our solutions, and our support offerings are packaged as standardized products, we are unable to depart from the terms of the SLA.

Is support included as part of my Subscription?

Yes, PROS provides support throughout the contract term to assist with any issues encountered. This includes 24/7/365 support and access to on-demand resources through the PROS customer portal, PROS Connect, such as user discussion forums, knowledge bases, product documentation, and technical guides.

For more details on the procedure to request support, and our response and resolution commitments, you can refer to the service level agreement (SLA) available at www.pros.com/contracts-center.

How do you handle acceptance testing?

Although PROS products require implementation, they are not specially developed or customized (with custom programming code) for a particular customer. Implementation can be carried out either by PROS or by a third-party system integrator. PROS works with an established partner network of system integrators who can assist our customers with their implementation project. If PROS is carrying out your implementation, your Statement of Work will include a user acceptance testing phase for those implementation services. However, the Subscription Service itself is a standard product and does not render itself to independent testing by each particular customer.

Will PROS make updates to the Subscription Service or SLA during the Subscription Term?

PROS regularly makes updates to the Subscription Services and SLA, ensuring our customers benefit from additional functionality and improved performance throughout the term of their contract. You are not purchasing a closed box – the PROS Subscription Services will continue to evolve benefiting from PROS' investments in R&D and enterprise AI, and our 20+ patented algorithms, 85+ data scientists, and iterative learnings from working with some of the most innovative companies in some of the most challenging industries.

We ensure our customers are protected through our MSA where we commit and warrant that these updates will not materially diminish the functionality and/or performance of the Subscription Service, nor will they diminish PROS' responsibilities under the SLA. Update notifications will be provided through the PROS Connect customer portal.

What is PROS liability exposure under the MSA?

PROS understands your concern about the performance of our obligations under the MSA, specifically as that performance relates to the protection of your data.

Like other SaaS providers, PROS offers a reasonable yet meaningful cap on liability, which is rationally related to the subscription fees that you have paid. However, at PROS, we go further. Not only do we offer enhanced "super caps" for privacy or data breaches, we also offer unlimited liability for IP infringement claims and for any breach where we have been wilfully or grossly negligent. This liability structure demonstrates our commitment to provide you with recourse in the event of a breach. An independent review of our MSA rates our limits on liability as 90% customer favorable.

We cannot offer unlimited liability for other damages as that would ultimately result in us charging you higher prices because we would have to incur additional expenses to offset the incremental risk through insurance. Our goal is to provide you with the protection you need, while being able to offer cost-effective solutions.

Who owns the deliverables and intellectual property in the Subscription Service?

As PROS is not delivering or developing custom code for its customers, PROS retains ownership in the Subscription Service and all deliverables and work product developed by PROS during our engagement with our customers. PROS grants its customers a non-exclusive, non-sublicensable, non-transferable license to use any deliverables for the duration of the agreement.

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[i] This FAQ is for informational purposes only and does not constitute legal advice. The information provided is general in nature and does not form a part of a proposed contract.

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