



## Custom Application and Extension Services for SAP Cloud Supplemental Terms and Conditions

SAP and Customer have agreed that SAP delivers to Customer certain Custom Application and Extension Services for Cloud ("**CAE Services for Cloud**"). These supplemental terms and conditions for CAE Services for Cloud (the "**Supplement**") are part of the Agreement and apply solely to CAE Services for Cloud and not any other SAP product or service.

In addition to the definitions set forth in the Order Form referencing the GTC, the capitalized terms used in this Supplement shall have the meaning stated in this Supplement or in the Glossary attached hereto.

### 1. CAE Services for Cloud

CAE Services for Cloud consist of 2 steps. In a first step, Features will be developed based on Customer Requirements ("**Build Phase**"). In a second step, the Features will be provided to Customer as a Cloud Service ("**Run Phase**").

The Features will not be delivered to Customer separately and Customer will only be allowed to use the Features with a valid Order Form for the respective CAE Services for Cloud in place.

### 2. Build Phase

#### 2.1 Scope

The scope is defined in the applicable Custom Application and Extension ("CAE") Services for Cloud Services Schedule and the Order Form.

#### 2.2 Methodology Lifecycles

The Features will be developed applying one of the Methodology Lifecycles described below. The applicable Methodology Lifecycle is specified in the applicable Order Form.

##### 2.2.1 Scrum Lifecycle

- (1) SAP will designate a contact person ("**Product Owner**") to discuss Customer Requirements and their priorities. The Product Owner will be responsible for managing the Product Backlog and for assigning the final priorities taking into account Customer's business needs, the technical feasibility and the dependencies.
- (2) According to the Scrum Lifecycle SAP will start the development of the Features based on the initial version of the Product Backlog.
  - a) If no initial version of the Product Backlog is available, SAP will create the initial version of the Product Backlog based on the Customer Requirements as described in the Solution Proposal attached to the applicable Order Form. The initial version of the Product Backlog must be formally accepted by Customer. The first Sprint starts after acceptance of the initial version of the Product Backlog.
  - b) If the initial version of the Product Backlog is already available, it will be attached to the applicable Order Form and SAP will start directly with the first Sprint.
- (3) As a prerequisite for Product Backlog Items to become part of a Sprint, they have to be specified in sufficient detail in the Product Backlog including description, acceptance criteria and prioritization. The SAP Product Owner continuously works together with Customer to break down and refine those Product Backlog Items that are not yet specified to the necessary level of detail. Refined Product Backlog Items result in new versions of the Product Backlog, which SAP submits to Customer for confirmation as described in this Supplement.

- (4) At the beginning of each Sprint SAP will conduct a planning meeting to decide which Product Backlog Items will be realized as Features by SAP in the Sprint. After the planning meeting SAP will inform Customer of the Sprint Scope. The respective Product Backlog Items are now considered fixed and cannot be altered during the Sprint.
- (5) At the end of each Sprint a review meeting will take place in which SAP will present to Customer the Features that have been developed during the Sprint. SAP will send via e-mail to Customer minutes of the Sprint review meeting for Customer to confirm. The minutes will reflect the Product Backlog Items that SAP considers completed and Customer's objections to the demonstrated Features, if any. Customer must confirm or reject the Sprint review meeting minutes via e-mail within a period of five working days as of their submission. Customer's confirmation or rejection must be based on the description of the Product Backlog Item and on the corresponding acceptance criteria. If Customer confirms or does not reject via e-mail the minutes of the Sprint review meeting within the five working days, the completed Product Backlog Items will move to status "confirmed". As far as a Product Backlog Item is rejected, the status will remain "in progress" and necessary adjustments will be made during one of the upcoming development Sprints, or latest during the integration test.
- (6) Customer can request changes to Product Backlog Items (including already confirmed Product Backlog Items) at any time, except during the Sprint where the respective Product Backlog Items are realized. SAP will investigate the possibilities of making the changes and inform Customer accordingly.
  - a) If the requested changes have an impact on the total effort and price, Customer has to follow the Change Request procedure.
  - b) If the requested changes do not have an impact on the total effort and price, and if SAP agrees to, SAP will create a new version of the Product Backlog and will submit it to Customer for confirmation.
- (7) The content of an already agreed version of the Product Backlog can only be changed in case of an agreement between the parties. In case of contradiction between versions of the Product Backlog, the most recently confirmed version will prevail over the others.
- (8) The last confirmed version of the Product Backlog will constitute the final version of the Product Backlog. It is the only contractually binding description of the Features and constitutes the basis for the acceptance of the Features by Customer.
- (9) Upon completion of the Features, SAP will execute an integration test of all developed Features based on test cases provided by Customer.
- (10) After SAP has completed the integration test, SAP will make the Features available for Customer in a development and/or test system landscape. Once SAP declares towards Customer readiness for Acceptance Testing of the Features, the period for conducting Acceptance Tests begins.

### **2.2.2 Waterfall Lifecycle**

- (1) According to the Waterfall Lifecycle SAP will start the development of the Features based on the Specification.
  - a) If no Specification is available, SAP will write the Specification based on the Customer Requirements as set out in the Solution Proposal attached to the applicable Order Form. The Specification is subject to formal acceptance by Customer. After acceptance by Customer SAP will start the development of the Features.
  - b) If the Specification is already available, it will be attached to the applicable Order Form and SAP will start the development of the Features based on this Specification.

- (2) SAP will offer to demonstrate portions of already developed Features to Customer ("Show & Tell Sessions") for Customer to provide feedback. The main contacts for the Build Phase will agree on the number, extent and timeline of such sessions.
- (3) Until all Features have been accepted, both parties may request changes in writing in accordance with the Change Request procedure.
- (4) Upon completion of the Features, SAP will execute an integration test of all developed Features based on test cases provided by Customer.
- (5) After SAP has completed the integration test, SAP will make the Features available for Customer in a development and/or test system landscape. Once SAP declares towards Customer readiness for Acceptance Testing of the Features, the period for conducting Acceptance Tests begins.

### **2.3 Change Request Procedure**

- (1) During the Build Phase and until Customer's acceptance of all Features, both parties can request changes to the CAE Services for Cloud (herein: "Change Request"). Any Change Request of Customer or SAP must be in writing and in the format as provided by SAP.
- (2) After acceptance of all Features no changes can be requested under the same Order Form.
- (3) Until SAP and Customer have reached an agreement on a Change Request, SAP will perform the CAE Services for Cloud as initially agreed.
- (4) If Customer submits a Change Request, SAP will investigate the possibilities of making the changes and inform Customer within a reasonable period of time. In case of an affirmative response, SAP will provide Customer with a change offer specifying the effects of the change on subscription fees, timing, and other parts of the CAE Services for Cloud. Customer must thereupon inform SAP in writing within five working days whether the change offer is accepted.
- (5) If the investigation of a Change Request itself requires substantial work, SAP is entitled to invoice Customer separately for that work. Timelines (e.g. milestone plan) will be adjusted taking into account the period during which SAP investigates the possibilities of the requested change, prepares a change offer, and/or negotiates with Customer regarding the commercial and contractual aspects of the Change Request.
- (6) If SAP submits a Change Request, Customer must notify SAP in writing within ten working days whether the Change Request is accepted.

### **2.4 Acceptance, Acceptance Testing and Confirmation**

#### **2.4.1 General**

- (1) SAP can require a written acceptance statement from Customer for all Deliverables that are amenable to acceptance. Customer must accept such Deliverables without delay. SAP may provide Customer with a template for the declaration of acceptance.
- (2) Where a Deliverable can be separated into subsets SAP can request acceptance for such subsets. Subsequent acceptance procedures will address only the correct functioning of the new subsets and whether the subsets accepted earlier correctly interact with the new subsets.

#### **2.4.2 Acceptance of the initial version of the Product Backlog and confirmation for subsequent versions of the Product Backlog**

- (1) Customer shall declare acceptance of the initial version of the Product Backlog if it is materially consistent with the Customer Requirements. The initial version of the Product Backlog is deemed to be accepted if Customer does not report in writing any material inconsistency with the Customer Requirements within 15 working days after provision of the initial version of the Product Backlog for acceptance.

- (2) For the avoidance of doubt, the initial version of the Product Backlog already attached to the applicable Order Form is not subject to an acceptance. SAP will start the development of the Features based on the respective document.
- (3) For subsequent versions of the Product Backlog SAP will require an e-mail confirmation from Customer. SAP will submit for review and confirmation the respective version of the Product Backlog to Customer via e-mail.
  - a) If Customer consents or does not object via e-mail to the respective version of the Product Backlog within a period of five working days as of submission of the respective version by SAP, such version will be deemed confirmed by Customer and will supersede all its previous versions.
  - b) If Customer suggests modifications to the respective version of the Product Backlog via e-mail within five working days, SAP will review them in another five working days. Granted that such modifications are reasonable and feasible, and based on SAP's own decision, SAP will include the proposed modifications in the respective version of the Product Backlog and will submit it to Customer. This new version will be deemed confirmed by Customer and will supersede all previous versions of the Product Backlog unless Customer objects to it within a period of one working day.

#### **2.4.3 Acceptance of the Specification**

- (1) Customer shall declare acceptance of the Specification if it is materially consistent with the Customer Requirements. The Specification is deemed to be accepted if Customer does not report in writing any material inconsistency with the Customer Requirements within 15 working days after provision of the Specification for acceptance.
- (2) For the avoidance of doubt, the Specification already attached to the applicable Order Form is not subject to an acceptance. SAP will start the development of the Features based on the respective document.

#### **2.4.4 Acceptance of the Features**

- (1) The parties shall agree on Acceptance Test procedures. The period for conducting Acceptance Tests for the Features begins when SAP informs Customer that the Features are available for testing. Customer shall commence the Acceptance Test procedure without delay.
- (2) If the Acceptance Tests prove to be successful, Customer will declare acceptance of the Features (or subsets of the Features) without undue delay by signing and submitting to SAP the completed acceptance statement.
- (3) The Acceptance Tests shall be deemed successful if the Features are materially consistent with the final version of the Product Backlog or the Specification and are free of any defect causing serious interruptions in normal operations (important tasks in the Specification cannot be performed due to a malfunction or an unavailable function in the respective Features that is urgently required to deal with the current situation ("**Material Defects**")).
- (4) In case it is revealed in the course of the Acceptance Tests that the Features are not materially consistent with the final version of the Product Backlog or the Specification, and/or are not free of Material Defects, Customer may refuse to declare acceptance and shall grant SAP an additional period of time to eliminate deviations from the final version of the Product Backlog or the Specification, and/or Material Defects. The identification of any failure to meet these acceptance criteria must include a precise description of the problem and all relevant information that is reasonably required by SAP in order to rework the Features. After expiry of this additional period of time, the Acceptance Test procedure shall be repeated. If the repeated test still reveals deviations from the final version of the Product Backlog or the Specification,

and/or Material Defects which legitimate the refusal of the acceptance, then second and third repeat tests shall be carried out on the same basis as the first repeat test.

- (5) Customer shall not refuse acceptance of the Features if the applicable Acceptance Test reveal that the Features materially comply with the Specifications.
- (6) The Features are deemed to be accepted if Customer does not report in writing or use SAP's support infrastructure to report any Material Defects and/or deviations from the final version of the Product Backlog or the Specification within 15 working days after Customer has been informed to commence the Acceptance Test procedure.

#### **2.4.5 Availability of Features**

Once Customer has declared acceptance of the Features or Features are deemed to be accepted, SAP will make available the Features to Customer for productive use and inform Customer accordingly via a declaration of availability ("**Availability of Features**").

### **2.5 Governance and Responsibilities**

- (1) Each party shall designate a main contact for the Build Phase. The main contacts from each party are in particular responsible for the creation of a detailed milestone plan for the Build Phase, to manage their resources and to check the progress of the Build Phase.
- (2) Customer shall designate authorized individuals for acceptance or confirmation of Deliverables.
- (3) Customer or SAP may request to establish a steering committee that meets at regular defined intervals to discuss the progress of the Build Phase and to resolve any issues arising during the Build Phase that cannot be resolved through consultation of the teams. The steering committee takes fundamental decisions within the Build Phase and exercises control functions. Each party shall designate suitable representatives to serve on a steering committee. The representatives of the steering committee must be empowered to take decisions for the respective party which they represent in the steering committee.
- (4) Customer acknowledges and agrees that SAP's ability to provide the CAE Services for Cloud specified in the Order Form depend upon contributions to be provided by Customer. If SAP considers that a material contribution, response or action required from Customer is delayed to a point that the Build Phase milestone plan is being negatively impacted or cannot reasonably be met due to such delay, SAP will promptly inform Customer in writing. Customer shall then either: (a) immediately respond; (b) take the required action; or (c) request a suspension of the Build Phase subject to Customer assuming any additional costs associated with such suspension on the basis of the then current SAP rates. Customer agrees to respond to any notice provided pursuant to this section via e-mail within 24 hours. Should Customer not respond without 24 hours, the overall Build Phase timeline will be extended, at minimum, by the time associated with Customer's delay.
- (5) If information or documentation contributed by Customer proves to be incorrect, incomplete, ambiguous or cannot be followed from an objective point of view, Customer will immediately (particularly after being requested by SAP) make the necessary corrections and/or supplements.
- (6) Customer's collaboration is required throughout the Build Phase and includes, but is not limited to the tasks listed in the applicable Order Form. Customer will identify particular employees to SAP as technical liaisons and participants in Customer's Acceptance Test and warrants that they will be available to participate as and when required. Customer will ensure that all of the employees it assigns to the Build Phase are proficient and suitably qualified to carry out their tasks.

- (7) Customer has to ensure that he has all necessary third party license rights required for developing and using the Features.
- (8) The SAP employees assigned to the CAE Services for Cloud will be under the direction of SAP and will be located at SAP sites. Travel of SAP employees shall be agreed upon between the parties as deemed necessary.

### **3. Run Phase**

- (1) The Subscription Term for the Features begins upon Availability of the Features. The Subscription Term consists of an Initial Subscription Term, a First Renewal Term and subsequent Renewal Terms as defined in the Order Form.
- (2) Subscription of other Cloud Services might be a prerequisite to make use of the CAE Services for Cloud. The Subscription Term and/or the termination rights of those Cloud Services might deviate from the ones for the CAE Services for Cloud. For the avoidance of doubt: The termination of other Cloud Services (especially those that are required in accordance with sections "Prerequisites for the Build Phase" and "Prerequisites for the Run Phase" of the applicable Order Form) will not automatically lead to a termination of the respective CAE Services for Cloud. Customer has to fulfill its obligation under the applicable Order Form for the CAE Services for Cloud even if related Cloud Services have been terminated.
- (3) In case of termination of the respective CAE Services for Cloud, Customer allows SAP to access Customer's system and data to de-activate the Features.
- (4) Support services for the Features will be provided as specified in the applicable Order Form. The fees for support services for the Features are included in the subscription fees of the CAE Services for Cloud.
- (5) All support messages relating to the CAE Services for Cloud provided under the applicable Order Form shall be transmitted to SAP via the then current SAP support infrastructure as made available by SAP during the Build Phase.

### **4. Usage Rights and Restrictions**

- (1) To the extent another Cloud Service is a prerequisite for the usage of the CAE Services for Cloud, the usage rights and restrictions of the respective Cloud Service shall apply to the CAE Services for Cloud. To the extent another Cloud Service is not a prerequisite for the usage of the CAE Service for Cloud, the usage rights and restrictions of the GTC shall apply accordingly to the CAE Services for Cloud in addition to the usage rights and restrictions of the Order Form, as the case may be.
- (2) Before Availability of Features, Customer will only have the right to use the Features for agreed test purposes.

### **5. Intellectual Property Rights**

SAP, SAP SE (the parent company of SAP) or its licensors own all right, title and interest in and to any and all intellectual property rights (including copyrights, trademark rights, patent rights, database rights or other rights) in and to the CAE Services for Cloud or derivative works of the CAE Services for Cloud, design contributions and any related knowledge or processes whether or not created with Customers contribution.

## Attachment 1: Glossary

- (1) "**Acceptance Test**" is a test of the Features executed by the Customer to prepare the acceptance.
- (2) "**Customer Requirements**" means Customer's goals and objectives as well as user requirements and functional and non-functional requirements as set out in the Solution Proposal, the Specification or the Product Backlog.
- (3) "**Features**" means the functionality to be developed and provided as part of the CAE Services for Cloud.
- (4) "**Deliverables**" means any deliverables or work products developed and/or provided by SAP as CAE Services for Cloud pursuant to an Order Form, including but not limited to Product Backlogs or Specifications, and Features.
- (5) "**Product Backlog**" is the description of work for Features to be developed by SAP and to be made available for acceptance by Customer following the Scrum Lifecycle. It consists of the Product Backlog Items.
- (6) "**Product Backlog Item**" consists of Customer Requirements to be realized as Features by SAP and their respective functional description, the mutually agreed priorities, acceptance criteria, and status of completion of the Features to be provided. The Product Backlog Items are contained in the Product Backlog.
- (7) "**Scrum Lifecycle**" means an iterative and incremental agile method, according to which the Customer Requirements are realized successively as Features within Sprints.
- (8) "**Waterfall Lifecycle**" means a sequential method, according to which the Customer Requirements are realized consecutively as Features through the phases of the lifecycle of the Build Phase.
- (9) "**Solution Proposal**" is the description of Customer Requirements and a high level solution overview.
- (10) "**Specification**" is the description of work for Features to be developed by SAP and to be made available for acceptance by Customer following the Waterfall Lifecycle.
- (11) "**Sprint**" means a set period of time during which specific work is realized and made ready for review.
- (12) "**Sprint Scope**" means Product Backlog Items to be realized as Features in the respective Sprint.