

Scope Document for Baseline Activation Service for SAP S/4HANA Cloud

This Scope Document is incorporated into the Cloud Order Form.

1. DEFINITIONS

- 1.1. **“Development System”** means a SAP system environment in which initial configuration and build activities are completed in a non-productive environment.
- 1.2. **“Production System”** means a live SAP system used for running Customer’s internal business operations and where Customer’s data is processed.
- 1.3. **“Starter System”** means a SAP system environment in which initial configuration and build activities are completed in a non-productive environment.
- 1.4. **“SAP Best Practices”** means SAP’s predefined business processes, configuration content and documentation for SAP solutions.
- 1.5. **“Test System”** means a SAP system environment is used for testing content prior to moving it to the Production System.

2. SCOPE OF SERVICES

- 2.1. SAP shall provide baseline activation service for SAP S/4HANA Cloud (**“Services”**) as described herein to assist Customer with the implementation of the Cloud Service SAP S/4HANA Cloud.
- 2.2. The following SAP Best Practices scope items form the functional scope of the Services and will be confirmed in a kick off meeting.

Business Process	Scope Item	Description
Finance	1BS	SAP Fiori Analytical Apps for Sales
Finance	1EG	Bank Integration with File Interface
Finance	1EZ	Credit Memo Processing
Finance	1F1	Debit Memo Processing
Finance	1GA	Accounting and Financial Close - Group Ledger IFRS
Finance	1GB	Asset Accounting - Group Ledger IFRS
Finance	1GF	Asset Under Construction - Group Ledger IFRS
Finance	1GI	General Ledger Allocation Cycle
Finance	1HB	Financial Plan Data Upload from File
Finance	2FM	Financial Planning and Analysis
Finance	2I3	Commitment Management
Finance	2JB	SAP Fiori Analytical Apps for Financial Accounting
Finance	2LH	Automated Invoice Settlement
Finance	2QL	Universal Allocation
Finance	2QY	SAP Fiori Analytical Apps for Asset Accounting in Finance
Finance	2V7	Monitoring of Goods and Invoice Receipts
Finance	2VA	Accounting and Financial Close - Group Ledger US GAAP
Finance	2VB	Purchase Order Accruals
Finance	33F	Asset Accounting - Group Ledger US GAAP
Finance	33G	Asset Under Construction - Group Ledger US GAAP

Business Process	Scope Item	Description
Finance	33J	Event-Based Revenue Recognition - Sell from Stock - US GAAP*
Finance	33M	Event-Based Revenue Recognition - Sell from Stock – IFRS*
Finance	BD6	Basic Credit Management
Finance	BEG	Standard Cost Calculation
Finance	BEJ	Inventory Valuation for Year-End Closing
Finance	BFA	Basic Bank Account Management
Finance	BFB	Basic Cash Operations
Finance	BFH	Asset Under Construction
Finance	BGC	SAP Fiori Analytical Apps for G/L Accounting in Finance
Finance	J54	Overhead Cost Accounting
Finance	J55	Profitability and Cost Analysis
Finance	J58	Accounting and Financial Close
Finance	J59	Accounts Receivable
Finance	J60	Accounts Payable
Finance	J62	Asset Accounting
Governance	1FD	Employee Integration - SAP S/4HANA Enablement
Governance	1LQ	Output Management
Governance	1NJ	Responsibility Management
Governance	1NT	Project Financial Control
Governance	1RK	Mass Load and Mass Maintenance for Business Partner
Governance	1RM	Mass Load and Mass Maintenance for Product
Governance	2Q2	Data Migration to SAP S/4HANA from Staging
Governance	35F	Project Control – Capital Projects
Governance	BNA	Period-End Closing – Projects
Lead to Cash	2ET	Sales Order Processing for Non-Stock Material
Lead to Cash	2FD	Accounting for Incoming Sales Orders
Finance	33M	Event-Based Revenue Recognition - Sell from Stock – IFRS*
Lead to Cash	BD9	Sell from Stock
Lead to Cash	BDA	Free of Charge Delivery
Lead to Cash	BDD	Customer Returns
Lead to Cash	BDG	Sales Quotation
Lead to Cash	BDH	Sales Order Entry with One Time Customer
Lead to Cash	BKA	Free Goods Processing
Lead to Cash	BKJ	Sales Order Processing with Customer Down Payment
Lead to Cash	BKL	Invoice Correction Process with Credit Memo
Lead to Cash	BKP	Accelerated Customer Returns

Business Process	Scope Item	Description
Plan to Fulfill	1ZT	Managing Material Price Changes and Inventory Values
Plan to Fulfill	2LN	Basic Available-to-Promise Processing
Plan to Fulfill	3BR	Warehouse Inbound Processing*
Plan to Fulfill	3BS	Warehouse Outbound Processing*
Plan to Fulfill	3BT	Warehouse Ad Hoc Goods Issue*
Plan to Fulfill	3BX	Warehouse Physical Inventory*
Plan to Fulfill	BGG	SAP Fiori Analytical Apps for Inventory and Warehouse Management
Plan to Fulfill	BMC	Core Inventory Management
Plan to Fulfill	BML	Physical Inventory – Inventory Count and Adjustment
Source to Pay	18J	Requisitioning
Source to Pay	1JI	Real-Time Reporting and Monitoring for Sourcing and Procurement
Source to Pay	22Z	Procurement of Services
Source to Pay	BDQ	Invoice Correction Process with Debit Memo
Source to Pay	BMD	Purchase Contract
Source to Pay	BMK	Return to Supplier
Source to Pay	BNX	Consumable Purchasing
Source to Pay	J45	Procurement of Direct Materials
SAP Business Process Automation	48I	Automated Upload of General Ledger Entries*
SAP Business Process Automation	4G5	Automated Creation of Sales Orders from Excel*
SAP Business Process Automation	48M	Create Purchase Requisitions from Excel*

*If Customer requires such a scope item, the activation needs to be requested by Customer.

2.3. Scope Boundaries and Conditions

The following boundaries and conditions apply to the scope of Services.

2.3.1. Functional Scope Boundaries

- a) Number of Customer legal entities: 1 company code with 1 controlling area and 1 credit control area and 22 cost centers
- b) Personnel Area: 1 personnel area and 1 personnel sub-area
- c) Sales Organizations: 1 sales organization with 1 distribution channel and 1 division with 1 sales office and 2 sales groups
- d) Purchasing Organizations: 1 purchasing organization with 1 purchasing group
- e) Plants: 3 plants with 10 storage locations and 3 shipping points
- f) Country Coverage: Not all scope items are available for all countries/regions provided by SAP Best Practices. The following list includes the countries that are available.

Country Name	Country	Currency
Australia	AU	AUD
Austria	AT	EUR

Country Name	Country	Currency
Belgium	BE	EUR
Brazil	BR	BRL
Canada	CA	CAD
Chile	CL	CLP
China	CN	CNY
Columbia	CO	COP
Czechia	CZ	CZK
Denmark	DK	EUR
Finland	FI	EUR
France	FR	EUR
Germany	DE	EUR
Hong Kong	HK	HKD
Hungary	HU	HUF
India	IN	INR
Indonesia	ID	IDR
Ireland	IE	EUR
Italy	IT	EUR
Japan	JP	JPY
Korea (South)	KR	KRW
Luxembourg	LU	EUR
Malaysia	MY	MYR
Mexico	MX	MXN
Netherlands	NL	EUR
Norway	NO	NOK
New Zealand	NZ	NZD
Philippines	PH	PHP
Poland	PL	PLN
Portugal	PT	EUR
Romania	RO	RON
Saudi Arabia	SA	SAR
Singapore	SG	SGD
Slovakia	SK	EUR
South Africa	ZA	ZAR
Spain	ES	EUR
Sweden	SE	SEK
Switzerland	CH	CHF

Country Name	Country	Currency
Taiwan	TW	TWD
Thailand	TH	THB
Turkey	TR	TRY
United Arab Emirates	AE	AED
United Kingdom	GB	GBP
United States	US	USD

2.3.2. Services Scope Conditions

- a) The kick-off meeting including the onboarding session is set up as a telephone call or online-meeting with standard application such as Zoom or MS Teams and will last maximum 1 business day
- b) No more than 3 half-day workshops will be conducted for the functional review
- c) SAP will assist with the initial setup of Development and Test System for up to 0.5 business days
- d) SAP will assist with sample data creation for up to to a maximum of 5 business days
- e) SAP will assist with testing for up to to a maximum of 3 business days
- f) SAP will assist with the cutover planning for up to to a maximum of 1 business day

2.4. Configuration Scope

SAP will activate the following sample data components up to the stated numbers within the Services:

Component	No.	Component	No.	Component	No.
Company code	1	Shipping point	3	Sales district	1
Controlling area	1	Storage location	5	Material	15
Distribution channel	1	Tax location	1	Suppliers	20
Division	1	Bank account	6		
Language	1	Chart of accounts	2		
Personnel area	1	Chart of depreciation	1		
Personnel subarea	1	Cost centre group	3		
Plant	3	Cost centers	22		
Purch group	3	Group currency	1		
Purch org	1	House bank	3		
Sales group	1	Payment method	2		
Sales office	1	Customers	20		
Sales organizations	2	Condition records	5		

2.5. Data Migration Scope

The Services include the following numbers of migration objects to support the solution testing.

Master Data	Number of records
Bank	1
Customer	20
Fixed asset	2

Master Data	Number of records
Material	15
Supplier	20
Warehouse storage bin	5

2.6. Prerequisites

Customer shall fulfill the following prerequisites before the start of the Services:

- 2.6.1. Customer has a valid cloud subscription for SAP S/4HANA Cloud, public edition.
- 2.6.2. Cloud Service is provisioned and fully functional.
- 2.6.3. Customer provides access to the following tiered system landscape: Starter System, Development System, Test System.

2.7. Out of Scope

The following is out of scope, including without limitation:

- a) Any services not expressly listed in this Scope Document
- b) Subscription to any Cloud Services or purchase of SAP Software
- c) Any development of custom code, updates or upgrades to SAP products
- d) Analysis of as-is business processes
- e) Programs or content to migrate data from legacy systems
- f) Data cleansing or data clean up
- g) Customer specific authorizations roles and security concepts. SAP will use the standard authorization content provided with the Cloud Service
- h) Any changes required because of pre-existing Customer specific enhancements or developments
- i) Any changes required because of quality or values of Customer's master and transactional data
- j) Unit testing in any other environment besides the environment where the initial configuration was completed
- k) Execution activities from cutover to production and any go-live support
- l) Training services, such as formalized training on the Cloud Service for project team members, training for users or end user documentation

3. RACI

SAP and Customer agree on the following responsibility matrix of activities.

- a) **Responsible (R):** Charged with performing the activities. A mutually agreed project plan may define further details at the work unit level.
- b) **Accountable (A):** The Customer has overall accountability for its project and all the activities identified below. Hence, Accountable (A) does not appear for the activities below.
- c) **Consulted (C):** Provides input on how to perform the activity and supports the execution of the activity.
- d) **Informed (I):** Provided with information.

Activity	SAP	Customer
Services Preparation		
Confirm Customer project team	I	R
Hold kick-off meeting and on-boarding session: Communicate the Services, roles and responsibilities, expectations and schedule	R	C

Activity	SAP	Customer
Select the scope items of the business processes to be activated	C	R
Confirm completion of pre-requisites	C	R
Services Exploration		
Conduct functional review workshops	R	C
Solution Definition: Document configuration values	C	R
Request Customer Development and Test System	I	R
Services Realization		
Set up Development and Test System initial access	C	R
System configuration based on the output of the functional review workshop	R	C
Create sample data	C	R
Prepare automatic testing scripts	R	C
Execute automated testing	C	R
Conduct solution walkthrough	C	R
Prepare the cutover plan for production	C	R
Provide cutover guidance document	R	C

4. SCHEDULE

- 4.1. The Start Date of the Services will be mutually agreed between parties within a reasonable time frame after the Order Form Effective Date.
- 4.2. SAP may require a lead time of up to 2 weeks to assemble a team. SAP reserves the right not to start the Services until SAP has assembled a team.
- 4.3. The estimated duration for the Services is 4 weeks.
- 4.4. Services are provided on a one-time basis and SAP's obligation to provide the Services ends with the Services closure, which shall occur no later than 12 months after the Effective Date of the Order Form. Thereafter, SAP has no further obligation to deliver the Services. There is no discount, refund or credit if the Services are not utilized within 12 months.

5. ORGANIZATION

- 5.1. SAP Team
 - 5.1.1. The SAP team includes the following key roles:
 - a) Project Manager
 - b) Business Process Consultant
 - 5.1.2. SAP may elect to staff a single resource to serve multiple roles, or multiple resources to serve a single role.
 - 5.1.3. SAP team roles are in general staffed on a part time basis.
 - 5.1.4. Services are delivered remotely.

5.2. Customer Team

5.2.1. The Customer team includes the following roles:

- a) Project Manager: Single point of contact for SAP. Manages Customer project including Customer team, project plan, project status and decision-making process
- b) Business Lead: Decision maker. Take responsibility for the Cloud Service satisfying the business needs. Owns business processes, approves the solution and is the key liaison between the Services, the Customer project and the business
- c) Business Subject Matter Experts: The subject matter expert represents the business and will be involved in issue resolution and data migration
- d) Functional Lead: Undertakes configuration alongside SAP consultants
- e) Technical Lead: Leads execution of activities that affect Customer systems and data
- f) End Users: Nominated system end users that join the project to undertake testing and training

5.2.2. In cases where it is necessary to assign multiple resources to a single role, Customer shall clearly identify the responsibilities of each resource.

5.2.3. Customer is expected to staff the roles per the time allocations recommended by SAP.

5.3. Governance

5.3.1. The Services will have sponsorship from Customer's senior management, who will be available on a timely and regular basis to monitor the progress and to act as a decision maker for policy decisions.

5.3.2. To facilitate effective communication between SAP and Customer, an SAP and Customer status meeting to clarify open issues and questions will occur weekly unless a different periodic interval is mutually agreed to.

5.3.3. If and to the extent required to perform the Services, Customer and SAP will work cooperatively at the start of the Services to establish the governance model, including a documented issues management process to address any and all issues which arise on the project. It will address the prioritization of these issues as well as an effective means for issue escalation and resolution.

6. SAP DELIVERABLES AND PROCEDURE

Deliverable	Deliverable Description	Completion Criteria	Deliverable Procedure
Configured and unit tested baseline solution	Develop unit testing report	Handover of the unit testing report	Approval upon completion when completion criteria are met
Closeout report	Document the results of the Services	Handover of the closeout report	Approval upon completion when completion criteria are met

7. CUSTOMER RESPONSIBILITIES

7.1. Customer shall cooperate with SAP in good faith so that SAP can deliver the Services. Customer's failure to meet or fulfil any of the specified responsibilities or requirements in this Agreement, can result in a delay of the provision of the Services or an increase of fees due.

7.2. In addition to the Customer responsibilities in the GTC, Customer shall fulfill, in particular, the following responsibilities:

7.2.1. General Customer Responsibilities

- a) Customer is responsible for the overall management of Customer's project and controls the project realization, process, scope, costs, Customer resources and targeted solutions
- b) Customer shall staff the listed Customer team roles with the requisite skills and knowledge and assign all necessary IT and business resources to complete Customer activities
- c) Customer shall use reasonable efforts to minimize the change in personnel throughout the duration of the Services

- d) If Customer involves third-parties, Customer shall manage any third-party resources and be responsible for their acts and omissions
- e) Customer shall supply SAP with the names and contact information of key Customer and third-party resources
- f) Customer shall be fully responsible for organizational change management of all affected departments
- g) Customer shall fulfill and provide listed prerequisites required to perform the Services
- h) Customer shall be fully responsible for technology infrastructure that is on premise or hosted by a third party. This includes but is not limited to SAP infrastructure, network and system administration, security, periodic backup and restore activities as required, and server and storage hardware. Required systems shall be available throughout the Services
- i) If required to perform the Services, Customer shall enable the use of SAP laptops and mobile devices on Customer's network to SAP's network via SAP's Virtual Private Network (VPN) protocols
- j) Customer shall provide technical advice regarding any third-party systems accessible to the SAP team
- k) If required to perform the Services, Customer shall review applicable SAP Cloud Service learning materials
- l) Customer shall comply with any relevant governmental and regulatory requirements
- m) Customer shall sign off the completion of the Services in written form upon request

8. ASSUMPTIONS

- 8.1. The Services are provided based on the current release version of the Cloud Service that is generally-available at the start of the Services delivery. SAP provides general updates of the Cloud Service for general availability regularly. If an update is made generally available during the performance of the Services, any additional planning or configuration required to support the updated release is not included in the Services.
- 8.2. If not otherwise agreed, the project language and corresponding documentation is English. SAP documentation will be delivered in English only.
- 8.3. If not otherwise agreed, Services are provided from Monday through Friday on normal business hours (between 8:00 a.m. – 6:00 p.m.), in accordance with SAP recognized holidays, observed by SAP's registered office.
- 8.4. Services are based on a predefined scope and delivery model. In performing the Services, SAP
 - a) May utilize accelerators
 - b) Will follow applicable parts of the SAP Activate standard implementation methodology
 - c) May use software and tools ("**Tools**") for which all rights of authorship remain with SAP or SAP SE. In case Tools are copied to Customer's system, Tools and all permitted copies thereof must be deleted at the end of the Services. If at SAP's sole discretion Tools are left on the system for documentation purposes, Customer is not permitted to use such Tools for any other remaining purpose. Tools are provided on an as-is basis with no warranty. SAP will not support or enhance the Tools beyond what is provided during the term of the Services.
- 8.5. The estimated timelines are based on continuous availability of systems (if required) as well as Customer fulfilling their prerequisites and responsibilities as set forth herein.
- 8.6. Any changes to the scope of Services, whether requested during or after the Services term shall be subject to a separate Services agreement in consideration of additional fees.