

## SAP Service Description Innovative Business Solutions Development Services on Cloud

SAP will provide Innovative Business Solutions Development Services on Cloud (“Development Services on Cloud”) to design and develop individual, Customer specific functionality by using Customer’s Development Environment and Runtime Cloud Environment based on a mutually agreed solution description as further defined in the respective Order Form and Scope Document.

This document provides definitions and content that apply for such Development Services on Cloud.

### 1 **Definitions**

1. **“Acceptance”** is the acceptance of a Deliverable by a declaration of consent in written form made via an Acceptance Protocol.
2. **“Acceptance Protocol”** is a document for declaring Acceptance.
3. **“Acceptance Test”** is a test of the Features executed by Customer for the Acceptance of the Features.
4. **“Add-on”** means any development that adds new and independent functionality, but does not modify existing SAP functionality, and is developed using SAP interfaces or other SAP code that allows other software products to communicate with or call on the Features.
5. **“Affiliate”** means any legal entity in the Territory in which the Customer, directly or indirectly, holds more than fifty percent (50%) of the shares or voting rights. Any such legal entity shall be considered an Affiliate for only such time as such interest is maintained.
6. **“Base Cloud Services”** means the SAP Cloud Services (“SAP Base Cloud Services”) and/or non-SAP Cloud Services (“non-SAP Base Cloud Services”) as described in the Scope Document of the respective Development Services on Cloud upon which the development, deployment and use of the Features depend/operate. Base Cloud Services are not licensed or subscribed under an Order Form for Development Services on Cloud and must be acquired separately.
7. **“Business Partner”** means a legal entity or individual that requires access to the Features in connection with Customer’s internal business operations, such as customers, distributors and/or suppliers of Customer.
8. **“Business Requirements”** describe Customer’s business goals and objectives and their relation towards the scope of the Development Services on Cloud.
9. **“Confirmation”** is a declaration of consent made via e-mail.
10. **“Cloud Service”** means any distinct on demand service.
11. **“Development Environment and Runtime Cloud Environment”** means the infrastructure, platform and application services provided by Customer, and includes the Base Cloud Services. It consists of the following parts:
  - 11.1 **“Development Environment”** means the Customer-specific Environment to develop, build and deploy the Features as described in the respective Scope Document.
  - 11.2 **“Runtime Cloud Environment”** means the Customer-specific Environment to run the Features as described in the respective Scope Document. It consists of:
    - 11.2.1 **“Non-Production Cloud Environment”** is used to test the Features.
    - 11.2.2 **“Production Cloud Environment”** is used for normal business operations and where Customer’s data is recorded.
12. **“Innovative Business Solutions Development Services on Cloud” / “Development Services on Cloud”** means services agreed by the parties under the respective Order Form, and described in the relevant Scope Document.
13. **“Intellectual Property Rights”** means patents of any type, design rights, utility models or other similar invention rights, copyrights, mask work rights, trade secret or confidentiality rights, trademarks, trade names and service marks and any other intangible property rights, including applications and registrations for any of the foregoing, in any country, arising under statutory or common law or by contract and whether or not perfected, now existing or hereafter filed, issued, or acquired.

14. **“Features”** means the SAP software functionality developed and provided as part of the respective Development Services on Cloud.
15. **“High-Level Architecture”** describes the planned architecture of the solution on a high level.
16. **“Modification”** means (i) a change to the delivered source code or metadata; or (ii) any development, other than a change to the delivered source code or metadata, that customizes, enhances, or changes existing functionality of the Features including, but not limited to, the creation of any new application program interfaces, alternative user interfaces or the extension of SAP data structures; or (iii) any other change to the Features (other than an Add-on) utilizing or incorporating any SAP Materials (defined below).
17. **“Product Backlog”** describes Customer’s Software Requirements to be realized as Features by SAP. Furthermore, the Product Backlog is divided in Product Backlog Items, and the Product Backlog is together with the Vision & Scope Document the solution description. The accepted Vision & Scope Document, together with the final version of the Product Backlog, contains the sole legally binding description of the Features and is basis for the Acceptance Test of the Features.
18. **“Product Backlog Item”** consists of the Customer’s Software Requirements to be realized as Features by SAP, and their respective functional description and acceptance criteria, as well as the mutually agreed priority of each Product Backlog Item, and status of completion of the Features to be provided. The Product Backlog Items are contained in the Product Backlog.
19. **“SAP Innovative Business Solutions Methodology Scrum Lifecycle”** means an iterative and incremental project management method, according to which the Customer’s Software Requirements are realized successively as Features within Sprints.
20. **“SAP Materials”** means any software, programs, tools, systems, data or other materials made available by SAP to Customer prior to or in the course of the performance under the respective Order Form including, but not limited to, the Features and documentation, as well as any information, materials or feedback provided by Customer to SAP relating to the Features and documentation.
21. **“Software Requirements”** means the Customer’s user requirements, functional requirements and non-functional requirements.
22. **“Source Code”** means the computer programming code of the Features in human readable form.
23. **“Sprint”** means a set period of time during which specific work is realized and made ready for review.
24. **“Territory”** means the world except for those countries prohibited by United States’ export laws and further subject to the regulatory matters of the respective Order Form.
25. **“Third Party Software”** means (i) any and all software products and content licensed to Customer and as specified under the respective Order Form, all as developed by companies other than SAP, SAP SE and/or any of their affiliated companies and delivered to Customer hereunder; (ii) any new releases, updates or versions thereof made available through SAP support or warranty obligations and (iii) any complete or partial copies of any of the foregoing.
26. **“Use Terms”** means, with regard to Features specified in an Order Form, the SAP Software Use Rights document current at the time of execution of such Order Form, copies of which are found at <http://www.sap.com/company/legal/index.epx> and made a part hereof. Such SAP Software Use Rights documents are incorporated herein by reference. SAP recommends Customer prints copies of the applicable SAP Software Use Rights documents for Customer’s own records.
27. **“Vision & Scope Document”** includes Customer’s Business Requirements, and the High-Level Architecture. Furthermore, the Vision & Scope Document is together with the Product Backlog the solution description. The accepted Vision & Scope Document, together with the final version of the Product Backlog, contains the sole legally binding description of the Features and is basis for the Acceptance Test of the Features.

## **2 SAP Innovative Business Solutions Methodology**

SAP will provide Development Services on Cloud applying its Innovative Business Solutions Development Methodology Scrum Lifecycle as described further in the Scope Document.

## **3 Roles and Governance**

The roles and project governance are defined in the Scope Document.

#### **4 Customer Responsibilities**

The overall Customer responsibilities are listed below. Specific Customer and SAP responsibilities are further detailed in the Scope Document. Customer shall

1. Ensure Customer has all necessary license rights, including third party license rights, required to allow SAP to perform the Development Services on Cloud.
2. Appoint a project manager and/or program manager to act as the Customer's point of contact for SAP.
3. Provide sponsorship from the Customer's senior management, who will be available on a timely and regular basis to monitor progress and to act as a decision maker for policy decisions and issue resolution.
4. Manage the Customer's third party service providers.
5. Provide knowledgeable, decision-empowered resources that are available to work on the Customer's project as part of the team.
6. Provide SAP with adequate working environment, system access, and Internet and telecommunications services for the SAP employees deployed at Customer's facilities. No SAP employees will have an office on the Customer's premises with keys that provide exclusive use of the office to SAP. It is recommended that the SAP team is situated in a secure location.
7. Provide SAP with access to Customer's facilities as necessary for the performance of the Development Services on Cloud including all necessary identification material (badges, passes, cards, etc.).
8. Supply SAP with the names and contact information of key Customer and third party resources assigned to the project.
9. Ensure that any appropriate hardware required for the Development Services on Cloud is secured before the start of the project.
10. Provide the Development Environment and Runtime Cloud Environment and system landscape including all required tools for development, build, deploy, and run of the Features, with the necessary authorizations for onsite and remote access to those systems for SAP. Alternatively, if the Features are not developed in the Development Environment of the Customer, provide only the Runtime Cloud Environment to run the Features, with the necessary authorizations for onsite and remote access to those systems for SAP.
11. Provide a consistent, stable, and fast connection between SAP and Customer's Development Environment and Runtime Cloud Environment at the required times. Alternatively, if the Features are not developed in the Development Environment of the Customer, provide only a consistent, stable, and fast connection between SAP and Customer's Runtime Cloud Environment at the required times.
12. Allow the use of SAP laptops and mobile devices on Customer's network and a connection to SAP's network via SAP's Virtual Private Network (VPN) protocols or Customer will provide PCs and/or laptops with the Microsoft Office Suite and e-mail capability for the SAP team. Laptops and/or PCs provided by Customer must have the latest virus protection software. Alternatively, if the Features are not developed in the Development Environment of the Customer, provide only a system connection for deployment purposes.
13. Provide a dedicated Customer contact for SAP for clarifications regarding any relevant third party licenses and systems and non-SAP Cloud Services.
14. Ensure that the Customer's project is compliant with any relevant governmental and regulatory requirements.

Customer acknowledges and agrees that SAP's ability to provide the Development Services on Cloud specified in the respective Order Form depends upon contributions to be provided by Customer.

If SAP considers that a material response or action required from Customer is delayed to a point that the project Deliverables' schedule is being negatively impacted or cannot reasonably be met due to such delay, SAP will promptly inform the Customer in writing. Customer shall then either: (i) immediately respond; (ii) take the required action; or (iii) request a suspension of the Development Services on Cloud concerned, provided that Customer assumes any additional costs associated with such suspension, if any, on the basis of the then current SAP prices and rates. In connection with any notice provided by SAP pursuant to this section, Customer agrees to respond to it in writing within five (5) working days after having received it from SAP. Should Customer not respond within five (5) working days, the overall project timeline will be extended, at minimum, by the time associated with Customer's delay.

## **5 Assumptions and Exclusions**

- A. The Service Description assumptions are listed below. SAP may identify further assumptions in the respective Order Form or Scope Document.
  - 1. The SAP employees assigned for the Development Services on 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.
  - 2. All supporting documentation will be developed using personal computers/laptops using Microsoft Office applications (Word, Excel, MS Project, Visio and PowerPoint), Adobe Reader or other mutually agreed documentation tools.
- B. The Service Description exclusion is listed below. SAP may identify further exclusions in the respective Order Form or Scope Document.
  - 1. Developments other than what is specified in the Scope Document.