# SAP Procurement General Terms and Conditions

for SAP AZ (hereafter, the "**GTC**")

**1. Applicability of GTC and Supplemental Terms**

**1.1** This GTC, including the Supplemental Terms further defined in Section 1.2,applies exclusively to all (i) services, including professional/consulting services ("**Services**"), (ii) physical items as well as software, data, scripts or code ("**Goods**"), and (iii) any Goods conceived, produced or developed in connection with the Services ("**Deliverables**") (such Services, Goods, and Deliverables herein individually and collectively referred to as "**Supplies**") provided by the supplier under an Order (hereafter, the "**Supplier**") to the SAP entity which has ordered the Supplies (hereafter "**SAP**") or to a third party on behalf of SAP. Supplier and SAP may each individually be referred as a "Party" or, collectively, as the "Parties". This GTC (as in effect on the date of the applicable Order) applies to any Order of Supplies from Supplier, unless there is a separate written agreement between the Parties. Any other terms and conditions tendered by Supplier are expressly rejected. This GTC and the Order referencing this GTC may hereinafter be referred to as the "**Agreement.**"

**1.2** Supplier acknowledges and agrees that:

(i) some terms and conditions are incorporated into the GTC and / or the Order are included via hyperlinks and are a legally binding part of the Agreement between Supplier and SAP ("**Supplemental Terms**");

(ii) except as otherwise provided herein, the Supplemental Terms may be amended by SAP from time to time without further notice to Supplier.

(iii) SAP has advised Supplier to check from time to time the then current and applicable Supplemental Terms as they may be subject to change according to Section 1.2 (ii);

(iv) for those Supplemental Terms in effect as of the effective date of the respective Order, it has been advised to download and retain a copy; and

(v) it will inform its Supplier Personnel of the applicable version of the Supplemental Terms.

**1.3** In the event of any conflict or inconsistency among the terms and conditions set this GTC, the Supplemental Terms, and an Order, the following order of precedence governs: (i) first, the Order; (ii) second, the Supplemental Terms; and (iii) third, this GTC.

**2. Orders and General Principles**

**2.1** The Parties agree that the type, scope, and qualification of the Supplies, as well as the respective remuneration, will be agreed to in "**Orders**". Orders hereunder are (i) SAP statements of works for Supplies mutually executed by the Parties ("**SOW**s"); or, if no SOW has been mutually executed, then (ii) purchase orders/ work orders which are issued by SAP if (1) such purchase order/work order references a fee schedule/rate card/price list for Supplies which has been mutually executed by the Parties ("**Rate Card**") and/or (2) Supplier accepts such purchase order/work order. Supplier will be deemed to have accepted the purchase order/work order by (i) using workflow e-approvals (if available, e.g. name/time stamp within SAP Fieldglass) or (ii) commencing to provide any of the Supplies contained in the purchase order/work order or invoicing SAP for any such Order. If provisions of the Order contradict or explicitly override the provisions of this GTC, the provisions of the Order shall prevail and govern.

**2.2** Supplier shall sign any documents and perform any action reasonably required or requested by SAP to give effect to Supplies being provided under the Order and this GTC, and will cause its officers, employees, and agents to do the same.

**2.3** Each Party will designate a contact person who has the authority and experience to provide required information and to make the required decisions hereunder without undue delay. Each Party undertakes to involve the other Party's contact person wherever necessary for the proper performance of the Order.

**2.4** During the term of the Order, Supplier shall not make any offer to SAP's customer in respect of consulting services in the field addressed by the Services ordered by SAP (if any). Supplier's breach entitles SAP to a liquidated damages fee of five percent (5%) of the Order value. This is without prejudice to other rights, in particular claims for damages, but such fee shall be offset against any of SAP's further claims for damages.

**3. Compensation; Invoicing and Billing; Taxes**

**3.1** Supplier shall participate in SAP´s electronic billing process (credit process) and upon SAP's request, bill for its Supplies by using SAP's electronic billing tool for the invoicing of Supplies. In such case, Sections 3.2 through 3.7 shall be deemed to apply to the electronic billing process accordingly. On Supplier's written request SAP will provide further information about electronic billing.

**3.2** Supplier agrees to be compensated and reimbursed for Supplies provided in accordance with the fees (i) based on the specific description and pricing methodologies set forth in the Order, and (ii) never in excess of any applicable prices or rates for the Supplies previously agreed to by Supplier and SAP in writing, including in Rate Cards, unless the Parties agree specifically to override those prices or rates for that specific Order. Supplier is not entitled to any other compensation or fees for Supplies that are not identified in the Order. Travel and other expenses will only be reimbursed to the extent they are reasonable, have been expressly agreed in the Order and comply with the SAP Supplier Travel & Expense Reimbursement Policy available at www.sap.com/supplier-portal-travel-and-expense-policy-en, as may be amended from time to time.

**3.3** SAP will pay only those undisputed fees that are expressly authorized, and do not exceed the stated fees and/or total cost stated in the applicable Order. Unless otherwise specifically agreed to in writing, Supplier will invoice SAP each month for the Supplies provided during the preceding month. Each invoice must relate to only one Order. Unless otherwise agreed in writing, the invoice must be sent separately for each Order to the invoice address indicated on the Order after the Supplies have been provided. The Supplier shall submit the invoice using the format and invoice delivery method indicated in the Order. Payment is due sixty (60) calendar days following SAP's receipt of invoice (evidenced by the delivery receipt/documentation).

**3.4** Except as the applicable Order may otherwise specify, no longer than forty-five (45) calendar days following the Supplies being provided, Supplier must submit an invoice to SAP in the manner indicated in the applicable Order, or any other address that SAP may designate in writing. Each invoice must specify the following information: 1) correct Order number, 2) correct SAP entity name, 3) geographic location where the Supplies were provided (identifying the country which services were provided in a separate line item, in case of multiple countries), 4) invoice number, 5) invoice date, 6) amount due, and 7) remit - to address and any other information that is required for a valid tax invoice in the country where Supplies are provided. Failure of Supplier to submit invoices to SAP in accordance with the foregoing terms shall subject them to rejection or delay, and SAP will not be responsible for timeliness of such payment.

**3.5** Supplier must provide supporting documentation along with the invoice and other information that SAP may reasonably request to verify the accuracy of any fees. For Services provided on a time and material basis, each calendar week, unless otherwise agreed in the Order, Supplier shall without delay provide to SAP a written activity report showing details of all Supplier Personnel (as defined in Section 5.1), time worked, location of work, and activities justifying all time and expenses being charged. For Supplies provided on a fixed fee or other milestone deliverables basis, reports shall be submitted as required in the Order.

**3.6** Supplier warrants that it is responsible for the payment of all applicable taxes due with respect to the Supplies that it is required by applicable law to collect or pay. Any consideration payable under this GTC shall be exclusive of VAT, goods and service taxes, sales taxes and similar levies. However, in compliance with tax law, VAT or the afore-mentioned similar levies shall be added to the consideration, if applicable, and shall be invoiced at the same time as the consideration as a separate line item. In addition, a valid VAT invoice shall be issued in conformity with the applicable VAT laws in respect of the transaction covered by the consideration. In the event that VAT is charged in error, a valid VAT credit note shall be issued, and the VAT amount shall be adjusted accordingly at the earliest possible time.

**3.7** Supplier's income taxes on the Supplies will be borne by the Supplier. If SAP is required by law to make any withholding on account of Supplier (including but not limited to any income or corporation tax or a similar tax) from any payments to the Supplier under this GTC, SAP shall be entitled to reduce the withholding from any amounts due by SAP and to be paid to Supplier.

**4. Changes in the Supplies**

**4.1** SAP may, at any time, request additions, deletions, or revisions to the Supplies ordered (such requests, "**RFCs**"). Unless the Supplier is unable to perform the RFC or it would be unreasonably disadvantageous for Supplier to do so, Supplier must comply with the RFC and give notice in writing within ten (10) working days with the following information: (i) impact, if any, on existing Deliverables and/or definition of additional Deliverables; (ii) estimated impact, if any, on the project schedule; and (iii) estimated change, if any, in project fees.

**4.2** All RFCs initiated by the Supplier must be made in writing and shall be submitted to the appropriate SAP Project Manager. Each request shall contain the reason for change and the information stated in Section 4.1. The SAP Project Manager shall review and accept or reject the RFC. If rejected the RFC shall be returned to the submitting Party with written reasons for rejection and, as appropriate, any acceptable alternatives. During or before Supplier's assessment of the RFC, SAP may determine, in its sole discretion, whether work under the existing Order should continue or be suspended pending the final decision on the RFC.

**4.3** All approved RFCs will be incorporated as change orders to the Order via a separate written amendment ("**Change Order**"). Supplier will not provide any Supplies outside of the Order until both Parties have executed the Change Order.

**5. Supplier Personnel**

**5.1** Supplier employees, as well as approved Subcontractors (as defined in Section 6), agents, and/or other representatives that provide Supplies hereunder (collectively "**Supplier Personnel**") shall remain, at all times, in the employ or at the direction of Supplier and shall not be deemed employees of SAP for any purpose. As used in this GTC, "**Representatives**" shall mean (i) Supplier Personnel; (ii) attorneys, accountants, or other professional business advisors; and, additionally, (iii) in the case of SAP, employees of SAP, SAP affiliates, customers, partners, and Subcontractors. This GTC does not authorize in any manner Supplier to contract in the name of or on behalf of SAP, or to hire persons as employees of SAP, or to otherwise act on behalf of, or hold itself out as an agent or representative of SAP. Supplier agrees that in the performance of this GTC it shall serve as an independent contractor for all purposes of any kind whatsoever and all Supplier Personnel shall be subject solely to the control, supervision, and authority of Supplier. Supplier shall supervise, perform or cause to be performed all Supplies to be accomplished by Supplier Personnel as further described in the Order. No provision of this GTC will be deemed to create a contractual relationship between SAP and any Supplier Personnel.

**5.2** Supplier shall ensure Supplier Personnel are trained and experienced so as to properly provide the Supplies. Supplier shall be directly responsible for all Supplies performed by Supplier Personnel.

**5.3** [Reserved.]

**5.4** Supplier represents and warrants that it has or will obtain prior to the delivery of any Services pursuant to any Order, at Suppliers sole cost and expense, any and all immigration documents, visas, clearances, permits and the like necessary and appropriate for the lawful rendition to SAP of the Services in the location or locations contemplated by this GTC. It is understood and agreed that the lawful immigration status of Supplier and Supplier Personnel and their right to perform is a material inducement for SAP to enter into this GTC with Supplier. Before any assignment of Supplier Personnel to the delivery of any services, Supplier will perform checks and controls to identify whether Supplier Personnel: a) holds a prominent public position or role in a government body or international organization; or b) has any immediate family members and/or close associates who holds such position or role (" **Politically Exposed Person**"). Immediate family members and/or close associates of the Supplier Personnel are also considered Politically Exposed Persons. In the event a Politically Exposed Person has been identified, SAP must be notified by the Supplier and both Supplier and SAP will determine appropriate measures to mitigate and manage any potential risks of fraud, bribery, or corruption.

**5.5** Supplier acknowledges that in connection with the provision of Supplies hereunder, Supplier may obtain access to or knowledge about information (i) of or about SAP customers whose profession, due to relevant national laws, imposes a professional secrecy obligation upon them , (ii) of SAP customers which may fall within the scope of telecommunications secrecy due to relevant national telecommunications law ( (i) and (ii) together hereinafter referred to as "**Secrets**"), and who are therefore subject to exceptional confidentiality. If and to the extent Supplier is granted with access to Secrets, Supplier warrants (i) to inform Supplier Personnel that the unauthorized disclosure of Secrets may lead to prosecution including criminal penalties or imprisonment under relevant Azerbaijan law, (ii) to oblige Supplier Personnel in accordance with relevant Azerbaijan laws; in particular to treat Secrets strictly confidential and to protect them against disclosure by third parties, and (iii) that Supplier Personnel may use and obtain knowledge of SAP's and its customer's company and employee data, only to the extent required to provide the Supplies.

**6. Subcontracting**

Supplier must obtain SAP's written consent before engaging any subcontractor in connection with the Supplies, whether a company or an individual ("**Subcontractor**"), including where the Subcontractor is an affiliate of Supplier or where Supplier has an ownership interest in the Subcontractor. No approval by SAP to subcontract any of the Supplies shall relieve Supplier of any of its obligations under this GTC. Supplier is responsible to ensure that all of its contracts with all Subcontractors contain provisions that are in conformity with and no less stringent than the provisions of this GTC. Supplier must not hinder its Subcontractors' entering into contracts with SAP for other Supplies. Upon SAP's request, Supplier will require each Subcontractor to provide relevant information to ensure Subcontractor is acting as an independent contractor.

**7. Confidential Information, Security and Data Protection**

**7.1** As used herein, "**Confidential Information**" shall mean all information which SAP protects against unrestricted disclosure to others, furnished by SAP or its Representatives to Supplier or its Representatives (i) is identified as confidential, internal, or proprietary at the time of disclosure, or (ii) should reasonably be understood to be confidential at the time of disclosure given the nature of the information and the circumstances surrounding its disclosure.

**7.2** Supplier shall (i) take all reasonable steps (defined below) to maintain Confidential Information in strict confidence, taking steps to protect Confidential Information at least as protective as those steps that Supplier takes to protect its own proprietary and confidential information of a similar nature, but in no event less than a reasonable standard of care; (ii) not to disclose or reveal any Confidential Information to any person other than its Representatives on a need-to-know basis and only to the extent necessary to accomplish the intent of this GTC and who are under obligations of confidentiality substantially similar to those set forth herein (iii) not use or reproduce the Confidential Information in any form except as required to accomplish the intent of this GTC. Any reproduction of any Confidential Information shall remain the property of SAP and shall contain any and all confidential, internal or proprietary notices or legends which appear on the original and on any reproductions; and (iv) not reverse engineer, disassemble, decompile, or attempt to derive any underlying source code, ideas or methods from the Confidential Information without the prior written permission of SAP. Supplier shall (i) be responsible for any breach of these terms by it or its Representatives, (ii) make its Representatives aware of the restriction imposed on the Confidential Information, (iii) and require its Representatives to observe the obligation of confidentiality.

**7.3** The above restrictions on the use and disclosure of Confidential Information shall not apply to any Confidential Information that: (a) has become generally known or available to the public through no act or omission on the part of the Supplier; (b) at the time of disclosure to Supplier was known to Supplier free of restriction; (c) is lawfully acquired free of restriction by the Supplier from a third party having the right to furnish such Confidential Information; or (d) is independently developed by Supplier without reference or access to the Confidential Information, or is lawfully received free of restriction from a third party having the right to furnish such Confidential Information.

**7.4** In the event Supplier or any of its Representatives provides SAP with input regarding SAP's software, products, services, business or technology plans, including, without limitation, comments or suggestions regarding the possible creation, modification, correction, improvement or enhancement of SAP's software and/or other SAP products or services (collectively, "**Feedback**"), Supplier grants to SAP a non-exclusive, perpetual, irrevocable, worldwide, transferable, and royalty-free license, with the right to sublicense to SAP's licensors, licensees, and customers, under all of Supplier's relevant Intellectual Property (as defined in Section 8.1), to use, publish, disclose, display, perform, copy, make, have made, make derivates of, use, sell and otherwise exploit such Feedback in any manner SAP chooses, without reference to the source.

**7.5** Supplier may disclose Confidential Information to the extent required by law, regulation, court order or regulatory agency provided that Supplier uses reasonable efforts to give SAP reasonable prior notice of such required disclosure (to the extent legally permitted) and provides reasonable assistance in contesting the required disclosure, at the request and cost of SAP. Supplier and its Representative shall use commercially reasonable efforts to disclose only that portion of the Confidential Information which is legally required to be disclosed and shall request that all Confidential Information that is so disclosed is accorded confidential treatment. Supplier acknowledges that SAP customer data that falls within the scope of a Secret may be legally banned from public seizure and be exempted from applicable legal obligations, if any, to give evidence, and warrants not to disclose or give evidence about such SAP customer data without SAP's prior explicit consent. In case of a public seizure, Supplier shall object to the seizure and promptly inform SAP.

**7.6** Upon SAP's request or upon the effective date of the termination or revocation of an Order according to Section 14, and except to the extent it is legally entitled or required to retain the Confidential Information, Supplier shall promptly destroy or return to SAP, at SAP's election, all materials containing Confidential Information and all copies thereof, whether reproductions, summaries, or extracts thereof or based thereon (whether in hard-copy form or on intangible media).

**7.7** Without prejudice to the rights and remedies otherwise available to SAP, SAP shall be entitled to equitable relief by way of injunction or otherwise, without the need to post a bond, if Supplier or any of its Representatives breach or threaten to breach any provisions of this Section 7. Supplier acknowledges the highly confidential nature of the Confidential Information, and that the unauthorized disclosure of such will give rise to irreparable injury to SAP, such injury being inadequately compensable in damages.

**7.8** Supplier shall maintain generally accepted industry standard administrative, physical, and technical safeguards for protection of the information security, confidentiality, and integrity of SAP. Supplier (i) shall comply with the terms in the SAP Third Party Security Annex set forth at www.sap.com/supplier-portal-supplemental-terms-third-party-security-annex ("**TPSA**"), (ii) abide by additional Supplemental Terms (if applicable), as may be amended from time to time; and (iii) shall abide by terms relating to services rendered to SAP customer or partner who are a credit or other regulated financial institution supervised by financial authorities, available at www.sap.com/supplier-portal-supplemental-terms-customers-financial-services. SAP reserves the right to modify the TPSA ("**Changes**") within SAP's sole discretion provided that a) changes shall be effective no sooner than ninety (90) days after email notice to Supplier ("**Notice Period**") and b) Supplier has the right to object to changes by notifying SAP within thirty (30) days of receiving such notice. Upon receipt of such objection, SAP may terminate the affected agreement(s) upon prior written notice. If Supplier does not object within the Notice Period, the changes are deemed to be accepted by Supplier. Notwithstanding the foregoing, any change that is non-material or beneficial to Supplier will become effective upon notice by SAP without the process / options described above. If the Confidential Information contains personal data of SAP, its affiliates, partners or customers, Supplier agrees to comply with all applicable data protection laws. Additionally, Supplier must sign (i) the SAP data processing agreement if the Supplies require him to process such personal data and/or (ii) if applicable, any necessary additional data controllership agreements if Supplier acts as a controller of personal data. The

additional terms and agreements referenced in this section are hereinafter collectively referred to as "Additional Data and Security Agreements".

**7.9** Supplier shall not provide any information about a competitor of SAP ("Competitive Information") unless such information is in the public domain or otherwise lawfully available for transmission to SAP, in such case Supplier must comply with any terms and conditions attached to or otherwise applicable to the Competitive Information. Supplier Personnel who may be exposed to confidential information of competitors of SAP must act in accordance with the Supplier Code of Conduct at all times.

**8. Intellectual Property**

**8.1** For purposes of this GTC, "**Intellectual Property**" means all intellectual property and proprietary rights, including without limitation all rights of inventorship and authorship, inventions, patents, utility models, and rights in confidential information, including know-how, for any product, process, method, machine, manufacture, design, composition of matter, or any new or useful improvement thereof, as well as copyrights and related rights, trademark, moral rights, trade dress , and service mark rights, and all rights in trade secrets, computer software, proprietary information and data, and databases, in each case whether registered or unregistered and including all applications (or rights to apply) for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which now subsist or will subsist in the future in any part of the world.

**8.2** Supplier hereby assigns, with full title guarantee and free from all Third-Party Rights (as defined in Section 11.2), to SAP all its respective rights, title, and interest in the Intellectual Property conceived, produced or developed by Supplier in connection with the Supplies and SAP owns all right, title, and interest in and to such Supplies. Supplier undertakes to give all notices, take required actions, and sign all documents necessary or appropriate to give effect to and register such assignment in SAP's favor where SAP is so entitled. Supplier warrants, that, where applicable and to the extent permitted by applicable law, all authors of the Supplies waived their rights, if any, in or relating to the Supplies for the benefit of SAP and its assigns and licensees.

**8.3** Where such assignment is not possible, Supplier grants to SAP a full, paid-up, exclusive, assignable, sublicensable, perpetual, irrevocable, worldwide license to the Intellectual Property conceived, produced or developed by Supplier in connection with the Supplies to permit SAP to use, make and have made, copy, modify, distribute, and fully exploit such Supplies, including, without limitation, a comprehensive assignable, sublicensable, perpetual exclusive worldwide right to use and exploit any Supplies to which rights of authorship and copyright attach. The rights of use and exploitation encompass, without limitation the right to copy, change, process, translate, and market, whether by way of leasing, renting, or otherwise, any such Supplies and to grant such rights to others.

**8.4** Notwithstanding anything to the contrary herein, Supplier shall retain ownership of all Intellectual Property created or acquired by Supplier outside the scope of this GTC ("**Pre-Existing IP**"). Supplier's Pre-Existing IP or any third-party software or materials shall not be included as part of the Supplies, unless otherwise agreed in the Order. In the event that the Supplies include or are covered by any Pre-Existing IP, Supplier hereby grants SAP a license equivalent in scope to the license described in Section 8.3 except that such license shall be non-exclusive.

**8.5** Agreed assignments and/or license grants take effect immediately when the Supplies come into being. SAP hereby accepts such assignment of title to or, as the case may be, grant of rights in the Supplies.

**8.6** Supplier's contracts with its employees and/or subcontractors that relate to Supplier's provision of the Supplies must be consistent with, and must not contain any provisions that conflict with, Supplier's obligations hereunder. Supplier will, at SAP's request, show to SAP that such contracts have been entered into with all employees and subcontractors involved in the provision of the Supplies.

**8.7** Only SAP is entitled to apply for patents and other protection in respect of the Supplies. SAP may, at its discretion, pay compensation to Supplier Personnel for work towards making inventions or creating works that become the subject of an application for patent or other protection.

**8.8** Immediately upon completion of the Supplies or, as the case may be, when an Order expires or is terminated, Supplier shall make available to SAP all material and information recorded on electronic or other media that is needed for full enjoyment of SAP's rights in this Section 8.

**9. Delays**

**9.1** Supplier agrees to deliver any Supply no later than the date specified in the Order. For Supplier's delivery of Supplies, time is of the essence. If Supplier encounters or anticipates difficulty in meeting the delivery schedule, Supplier shall immediately notify SAP in writing, giving pertinent details; provided however that this data shall be informational only in character and shall not be construed as a waiver by SAP of any delivery schedule or date or of any rights or remedies provided by law or the Order.

**9.2** If Supplier fails to meet the delivery schedule required by the Order with the result that SAP elects to call upon Supplier for expedited shipments of Supplies, Supplier, unless the delay in delivery arises out of causes beyond Supplier's control, will pay the difference between the method of shipping specified in the Order and alternative transportation rates. If Supplier fails to meet the delivery schedule required by the Order and SAP shows with reasonable certainty that SAP has as a result suffered loss, SAP may, without prejudice to its statutory rights demand liquidated damages of five percent (5%) of the net value of the Order. Supplier retains the right to show that the loss did not actually occur or is significantly less than this amount.

**10. Delivery, Acceptance, and Performance**

**10.1** Title to Goods and Deliverables shall be free and clear of any and all liens and encumbrances and shall pass to SAP from Supplier at the f.o.b destination point specified by the Order, or at such other point as may hereafter be selected by SAP. Passage of title to the Goods and Deliverables (or any part thereof) shall not in any way relieve Supplier of its obligations under this Order, nor be treated as a waiver by SAP of the right for SAP to inspect and reject any part of the Goods and Deliverables which fail to meet any warranty expressed or implied. Supplier shall assume and pay for any loss of or damage to the Goods and Deliverables covered hereby until delivery at the f.o.b. point specified by the Order, or until title otherwise passes from Supplier to SAP, whichever occurs later; except if SAP causes such loss of or damage to the Goods and Deliverables. If any lien or encumbrance is asserted against the Goods and Deliverables or any part thereof, SAP shall have the right to discharge the same by either filing a bond or other security; or at its discretion, paying the full amount thereof. Supplier shall repay to SAP the amount thus paid by SAP to discharge such lien and encumbrance.

**10.2** All Goods and Deliverables may be inspected and tested at all times and places before, during and after manufacture by inspectors designated by SAP. Where SAP is under a duty of examination and defect notification by law, SAP's obligation to inspect Goods shall be limited to obvious and visible defects; i.e. defects which become apparent through external inspection of the Goods, including delivery documents, (e.g. transport damages, incorrect delivery, short delivery) or during a quality control of randomly chosen samples. Moreover, the scope of the inspection duty depends on the extent to which an investigation is feasible in the ordinary course of business, taking into account the circumstances of the individual case. SAP's obligation to notify the Supplier of defects discovered at a later stage remains unaffected. The time period for giving notice of defects must not be less than ten (10) working days commencing on discovery of the defect or, in the case of obvious defects, of delivery. For the avoidance of doubt, where an acceptance by SAP is required, there shall be no obligation to examine and notify.

**10.3** Where required by law, if the Supplier provides Deliverables, a formal acceptance by SAP is required unless expressly waived by SAP in writing. If the examination of Deliverables requires a commissioning, acceptance shall take place after faultless commissioning. In case events beyond the reasonable control of SAP (e.g. a Force Majeure Event) make it impossible or unreasonable for SAP to carry out an acceptance, SAP shall be released from the obligation to accept the Deliverables for the duration of their existence. Depending on the nature of the Deliverable and subject to SAP's sole discretion, partial acceptance may be possible. SAP's overall acceptance must not, however, be implied from acceptance of all or any parts. Insubstantial defects will not be grounds for withholding acceptance.

**10.4** SAP's acceptance of non-conforming Goods and Deliverables under the Order does not relieve Supplier of its obligation to furnish all, or the remainder of the Goods and Deliverables under this Order strictly in accordance with the terms hereunder and such acceptance of non-conforming Goods and Deliverables will not operate as a waiver of these requirements by SAP nor will it serve to establish any course of performance regarding subsequent deliveries under the Order. SAP shall be entitled to offset any adjustment amount for acceptance of non-conforming Goods and Deliverables from amounts owing to Supplier. This right shall apply even if nonconformity is not discovered immediately after delivery.

**10.5** Except as agreed otherwise, Supplier shall perform the Services at the registered office of SAP. Performance of Services must be evidenced by appropriate activity reports submitted by Supplier and countersigned by SAP; SAP must countersign them if the Services have been performed in accordance with the Order and must not unreasonably refuse to sign or delay signing them.

**10.6** In the event of weight/ quantity deviation the weight/ quantity recorded by SAP for its receiving report shall apply unless Supplier shows that the weight/ quantity that it has determined was correctly determined in accordance with a generally accepted method.

**10.7** All Goods and Deliverables to be shipped shall be prepared for shipment according to SAP's reasonable instructions, and otherwise according to good commercial practice to ensure safe arrival.

**10.8** If documentation is required to use or operate the Goods and Deliverables, it shall be supplied in English or Azerbaijan language.

**11. Warranty**

**11.1** SAP is entitled to the benefit of the full statutory warranties. Supplier in addition warrants that the Supplies shall be provided consistent with generally accepted industry standards by Supplier Personnel qualified to perform the same and will be of a quality conforming to standards generally accepted by professionals in the field, unless explicitly defined otherwise in the Order.

**11.2** Supplier warrants that in the course of providing Supplies hereunder, neither it nor Supplier's Personnel nor the license granted in Section 8.3 will violate or infringe any

Intellectual Property of a third party ("**Third-Party Rights**"). Supplier will inform SAP promptly if it becomes aware of any claims by third parties alleging that the Supplies provided under this GTC infringe Third-Party Rights. Supplier also warrants that no Goods or Deliverables are subject to, an open source, public-source, freeware or other third party license agreement that, in each case, (i) requires SAP to disclose or license any material proprietary source code that embodies material SAP Intellectual Property or (ii) requires any material product to be made available at no charge or (iii) prohibits the granting of license rights to SAP as specified under Section 8 of this GTC.

**11.3** Supplier warrants that the Goods and Deliverables have the expressly agreed qualities, or, where no qualities have been agreed, that the Goods and Deliverables: i) are free of defects in design, materials and workmanship; ii) are merchantable and of good quality; and iii) conform to any samples or descriptions provided by Supplier.

**11.4** The warranty period will be extended by the amount of time for which the defective Goods and Deliverables cannot be used for their intended purpose for reasons ascribable to Supplier.

**11.5** If Goods and Deliverables are redelivered, provided again, remedied in whole or in part, or replaced, the warranty period starts from the beginning for the redelivered, newly provided, replaced, or wholly or partly remedied Goods and Deliverables.

**11.6** In addition to SAP's other rights, Supplier shall pay for all reasonable expenses incurred by SAP in connection with unpacking, examining, repacking, and reshipping non-conforming Goods and Deliverables.

**11.7** If any Goods or Deliverables are defective in materials or workmanship, or otherwise not in conformity with the requirements of the Order, SAP shall have the right, in addition to any legal and equitable rights to which it is entitled, to reject same for full credit, or to require that such Supplies be corrected or replaced promptly with satisfactory materials or workmanship. Unless Supplier corrects or replaces such Goods and Deliverables within the delivery schedule, SAP may (i) require the delivery of such Goods and Deliverables at a reduction in price which is equitable under the circumstances, (ii) terminate the Order for default and recover all expenses for obtaining substitute Supplies, or (iii) terminate the Order for default as provided under Section 14.2. In addition to SAP's other rights, SAP may charge Supplier all expenses of unpacking, examining, repacking and reshipping such non-conforming Goods and Deliverables.

**12. Indemnification**

**12.1** Supplier shall indemnify, defend, and hold harmless SAP, its affiliates, and their respective directors, officers, shareholders, employees, and agents as well as SAP customers (together "**SAP Indemnitees**") against all claims and actions asserted or commenced by a third party ("each, a "**Claim**") against the SAP Indemnitees, and all losses, damages, liabilities, costs and expenses of any kind, including, without limitation, reasonable attorneys' fees, that are incurred by the SAP Indemnitees in connection with or resulting from such Claim, if such Claim is based upon, results from, or arises out of Supplier's culpable conduct or in case the Supplier is subject to a strict liability according to statutory law, including, but not limited to (i) any breach by Supplier of this GTC or any of Supplier's representations, warranties, or obligations herein, (ii) an allegation that the Supplies violate or infringe Third Party Rights, (iii) any employment, withholding or other tax liabilities of any kind or nature arising in respect of Supplier Personnel**,** the Supplies, or amounts paid pursuant to this GTC, (iv) any non-compliance with immigration laws relating to Supplier Personnel, (v) the applicable minimum wage legislation relating to Supplier Personnel or (vi) personal injury or property damage made by or on behalf of Supplier Personnel, except those claims resulting solely from the SAP Indemnitees' gross negligence or willful misconduct, notwithstanding any statutory protections available.

**12.2** Supplier agrees to provide replacement or modified Goods or Deliverables that do not violate or infringe Third-Party Rights, or to acquire for SAP and SAP customers the right to continue to use the Good or Deliverable in the form in which they gave rise to the Claim. Supplier's failure to comply with this section shall consist of a material breach and is subject to the terms of Section 14.2 (i) hereof.

**12.3** The SAP Indemnitees will have the right to participate in the defense of all Claims and may appear (at their own expense) with counsel reasonably acceptable to the Supplier. Supplier shall have the right to fully-control the defense of each Claim; provided that it shall not agree to any settlement that imposes any financial or specific performance obligation on, or admission of liability by, an SAP Indemnitee without such party's prior express written consent.

**12.4** The foregoing provisions are without prejudice to SAP's other rights in contract or law with respect to infringements of Third-Party Rights.

**13. Liability**

Both Parties' liability is governed by the statutory provisions.

**14. Termination and Revocation**

**14.1** SAP may, by providing at least fifteen (15) calendar days' prior written notice stating the extent and effective date, terminate any Order of Services and Order of Deliverables for convenience in whole or in part at any time.

**14.2** SAP may terminate, in whole or in part, an Order of Deliverables and Order of Services immediately upon the occurrence of one or more of the following events: (i) the failure of Supplier to comply with any material term or condition of this GTC or the Order referencing them after SAP has provided Supplier thirty (30) calendar days' prior written notice specifying the nature of such default and the Supplier fails to cure such default within such thirty (30) day period or if such breach is not curable then immediately; (ii) during the term of the Agreement, Supplier works for a competitor of SAP or a competitor of SAP assumes a controlling interest in Supplier and in consequence thereof a risk of unauthorized disclosure of SAP expertise arises; (iii) the dissolution or liquidation of the Supplier; (iv) the insolvency or bankruptcy of the Supplier; (v) the institution of any proceeding by or against the Supplier under the provisions of any insolvency or bankruptcy law; (vi) the appointment of a receiver of any of the assets or property of the Supplier; (vii) the issuance of an order for an execution on a material portion of the property of the Supplier pursuant to a judgment; (viii) the termination of any Additional Data and Security Agreement by either Party or pursuant to its terms or (ix) the breach of Section 5.5 Section 16, or Section 23 or 25.

**14.3** SAP may revoke an Order of Goods upon the occurrence of any event mentioned in Section 14.2(i) to 14.2(viii). SAP's statutory rights to revoke and/or terminate an Order (if any) remain unaffected by this Section 14.

**14.4** If SAP terminates an Order of Deliverables or an Order of Services hereunder, Supplier will be paid only for those individual Services that have been performed in compliance with the Order of Services prior to the termination and/or for those Deliverables that have been performed in compliance with the Order of Deliverables prior to the termination and have been accepted or are eligible for acceptance by SAP.

**14.5** Upon any termination or revocation of an Order, the following Sections shall survive: 3, 5, 7, 8, 11, 12, 13 , 14, 15, 16, 17, 18, 19, 20, 21, 23, 25, and 27.

**15. Insurance**

Supplier agrees to maintain during the term of valid Orders, at its own expense, all necessary insurance for Supplier and Supplier Personnel based on the Supplies, of at least the kinds and limits contained in, and comply with all other requirements stated in, www.sap.com/supplier-portal-insurance-requirements-for-gtcs-for-purchases-en, in effect as of the date of the applicable Order.

**16. Compliance with Statutes and Regulations**

**16.1** Supplier warrants and certifies that in providing the Supplies and in the performance of this GTC, it will comply with all applicable statutes, rules, regulations and orders including any federal, state or local political subdivisions and including but not limited to laws and regulations pertaining to (i) anti-bribery; (ii) tax; (iii) immigration; (iv) Export Laws as defined in Section 22; (v) privacy and data protection; and (vi) labor and employment (such as the local applicable minimum wage legislation or other local laws regarding wages, hours and conditions of employment); and will not supply SAP with any "covered telecommunications equipment or services" as more specifically described in the United States Federal Acquisition Regulation clause 52.204-25, "Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment."

**16.2** Supplier shall further be responsible for Supplier Personnel's and Subcontractor's compliance with statutes and regulations.

**17. Retention of Records; Audit**

**17.1** Supplier shall maintain accurate and transparent books, accounts, records and other documentation ("**Records**") related to the Supplies to demonstrate compliance with applicable laws and regulations. The Records shall be kept in reasonable detail and accuracy and the content shall be sufficient so that a third party can assess the business purpose of the transaction, including (as applicable) the identification of any Supplier Personnel involved. All Records will be maintained for ten (10) years after the termination or completion of the Supplies. If any audit being conducted in accordance with this Section raises issues, such Records shall be maintained for as long as required for the resolution of the issues.

**17.2** Authorized representatives of SAP (including third party auditors engaged by SAP) shall have the right to conduct on-site audits of Supplier to the extent necessary to determine Supplier's compliance under this GTC and any Order, including but not limited to (i) Supplier's Record retention obligations, (ii) Supplier's obligations in relation to the applicable minimum wage legislation, and (iii) Supplier's obligations in relation to Secrets. Upon request, Supplier shall share respective documentation (e.g. templates of or signed Supplier Personnel confidentiality agreements, with SAP).

**18. Written Form**

**18.1** Any Change Orders and any contractually or legally relevant notices and declarations, especially without being limited to breach or termination notices, reminders, or notices to set time limits, require written form. The foregoing provision also applies to any waiver of the written-form requirement. The written-form requirement can also be met by exchange of letters or (except in the case of termination notices to SAP which must be physically sent) with an electronically transmitted signature (e-mail transmission with scanned signatures, or other electronically permissible by Azerbaijan law form of contract conclusion provided by or on behalf of SAP). There are no parol collateral agreements.

**18.2** Any notice will only be effective when received in written form. Each Party must give the other prompt notice of any change in address or addressee, if possible, in advance.

**18.3** Supplier acknowledges that each employee of the SAP purchasing organization who is registered as a Prokurist in the commercial register is authorized by proxy to validly provide termination notices to Supplier on behalf of SAP.

**19. Force Majeure**
Neither Party shall be considered to be in default of this GTC because of a delay or failure in performance of its obligation resulting from any cause beyond its reasonable control (a "**Force Majeure Event**"), provided it gives reasonably prompt notice of the Force Majeure Event to the other Party and uses reasonable efforts to mitigate the delay or failure.

**20. Severability**
The invalidity, illegality or unenforceability of any provision of this GTC shall not affect the validity, legality, or enforceability of any other provision of this GTC, which shall remain in full force and effect.

**21. Assignments**
Notwithstanding anything to the contrary, Supplier shall not assign this GTC or any parts of it, any Order, or any monies owed to Supplier under it to any third party without the express written consent of SAP. SAP shall not assign this GTC or any Order to any third party without Supplier's written consent, except nothing will prevent SAP from assignment to an SAP affiliate or to SAP successor in interest. This GTC shall inure to the benefit of and shall be binding upon Supplier and SAP and their respective permitted successors and assigns.

**22. Export controls**
Supplier acknowledge that the Supplies delivered under this GTC may be subject to the export and import control laws of various countries, including without limitation, the laws of Germany, the European Union and the United States of America (altogether referred to as "**Export Laws**"). Both Parties will comply with the Export Laws in the performance of this GTC. Supplier will cooperate with SAP as reasonably necessary to ensure compliance with Export Laws. Supplier agrees to provide SAP with (as applicable): (i) the "Export Control Classification Number" (ECCN) according to the U.S. Commerce Control List; (ii) the export control list number according to Annex I to the Regulation (EC) No. 428/2009; (iii) any other export control list number applicable to any Supply delivered under this Agreement; (iv) the statistical commodity code according to the current commodity classification for foreign trade statistics and the HS (Harmonized System) coding; (v) the country of origin (non-preferential origin); and (vi) any other technical information as may be reasonably requested by SAP for the purposes of export and import licensing procedures in other countries.

**23. Trademarks; Publicity; Press; Advertising; Marketing**
**23.1** Without prior written approval from SAP, in SAP's sole discretion, Supplier shall not be entitled to use any SAP trade marks and logos ("**SAP Brand**"), including but not limited to in connection with any announcement, advertisement, publication or presentation, sales, promotion, press releases, and other publicity relating to the Order and /or the business relationship with SAP.

**23.2** Supplier acknowledges SAP's sole ownership of SAP Brand and all associated goodwill, and that SAP retains all right, title, and interest in the SAP Brand. Supplier shall not to register or attempt to register any portion of the SAP Brand under any scenario in any country of the world. Any purported registration in violation of this provision shall be deemed null and void *ab initio*.

**23.3** Supplier agrees to abide by the requirements, if applicable, stated in www.sap.com/supplier-portal-supplemental-terms-marketing, in effect as of the date of the applicable Order.

**24. SAP site access**
If Supplies are provided on site, Supplier agrees to comply with applicable rules and safety instructions posted on site or otherwise made available to Supplier (e.g., (www.sap.com/supplier-portal-house-rules-germany-en; www.sap.com/supplier-portal-safety-instructions-germany-en).

**25. Purchasing Ethics**
Supplier agrees to comply with the SAP Supplier Code of Conduct available at www.sap.com/supplier-portal-code-of-conduct-en, as may be amended from time to time.

**26. Governing Law; Jurisdiction; Venue**
**26.1** Azerbaijan law applies exclusively, if Supplier is registered in Azerbaijan.

**26.2** If Supplier is a businessperson or a body corporate or special fund under public law, the sole place of jurisdiction for all disputes arising out of or in connection with the contractual relationship is Karlsruhe, Germany. SAP is also entitled to bring actions at the competent court for the place where Supplier is registered.

**27. Entire Agreement**
This GTC and its Supplemental Terms, together with the Order, constitutes the complete and exclusive statement regarding the subject matter hereof and supersedes all prior agreements, understandings, and communications, oral or written, between the Parties concerning such subject matter. Subject to Section 1.2, no modifications, amendments, or supplements to the GTC shall be effective for any purpose unless in writing and signed by the parties.