

SAP PartnerEdge
Sell On Premise Specific Terms and Conditions
("Sell On Premise Model")

Article 1 Definitions and Interpretation

1. Definitions

"Discount Letter" with regard to this Sell On Premise Model means the "SAP PartnerEdge Sell On Premise – Discount Letter" for this Sell On Premise Model applicable to the country in which End User is located which is published on SAP's partner-dedicated website or directly provided to Partner by SAP.

"EULA" means the "End User License Agreement (for SAP On Premise indirect sales)" which is made available on www.sap.com/company/legal.

"EULA Acceptance Form" means the "Acceptance Form for End User License Agreement (for SAP On Premise indirect sales)" which will be provided by SAP on a deal by deal basis.

"EUMA" means the "SAP Delivered Support Agreement" which sets out the terms and conditions under which SAP provides support to End Users and which will be provided by SAP on a deal by deal basis.

"Maintenance Services" with regard to this Sell On Premise Model means SAP Delivered Support, VAR Delivered Support and VAR Delivered Support For Business One as further set out in Article 9 (Maintenance Services).

"Price List" with regard to this Sell On Premise Model means the "SAP List of Prices and Conditions (indirect sales)" consisting of the "SAP Pricing & Licensing Principles", "SUR" and "SAP Price List for PartnerEdge Channel Partners" for this Sell On Premise Model applicable to the country in which End User is located which is published on SAP's partner-dedicated website or directly provided to Partner by SAP.

"Product Family" means an SAP product family which may comprise one or several SAP software products or services as further set out in the applicable RSPI.

"Program Requirements" means that the Partner has to fulfill certain minimum program entry requirements as well as ongoing program requirements, some of which are general PartnerEdge requirements, some of which are specific for the "Sell Engagement" and some of which are specific for the different "On Premise" Product Families, including, without limitation, payment of the Program Fee(s), meeting certain minimum annual revenue requirements, upholding a Sell Authorization for at least one "On Premise" Product Family and other requirements as set out in detail in the PartnerEdge Program Guide and the RSPI.

"SAP Delivered Support" means SAP's support offering to directly provide support to End Users subject to the terms and conditions set out in the EUMA.

"SAP GTCs" means the terms and conditions set out in the then-current "Software License and Support Agreement – General Terms and Conditions" used by SAP for "On Premise Software" which is made available on www.sap.com/company/legal.

"Sell Authorization" means that Partner needs to meet specific training and qualification requirements for the products included in an "On Premise" Product Family that Partner wants to resell as set out in detail in the PartnerEdge Program Guide and the applicable RSPI.

"SUR" means the software use rights agreements used by SAP which include additional or supplemental terms and conditions under which Software is licensed and which is made available on www.sap.com/company/legal.

"VAR Delivered Support" means that Partner can directly provide support to End Users subject to the terms and conditions set out in the VAR Delivered Support Model which SAP and Partner can agree on by signing the VAR Delivered Support Schedule.

"VAR Delivered Support For Business One" means that Partner can directly provide support to End Users for SAP Business One subject to the "Terms and Conditions for VAR Delivered Support for SAP Business One" which are made available on www.sap.com/company/legal.

2. Any terms not defined in this Sell On Premise Model will have the meaning ascribed to them in any other part of the Agreement.
3. The headings in this Sell On Premise Model are for convenience only and are to be ignored in construing this Sell On Premise Model.
4. Any reference in this Sell On Premise Model to a defined document is a reference to that defined document as amended, varied, novated or supplemented from time to time.
5. Where the context so admits, the singular includes the plural and vice versa.

Article 2 Engagement Model

1. Upon Partner meeting the Program Requirements for the first time and subject to Partner's compliance with all Program Requirements at all times during the term of this Sell On Premise Model, SAP hereby grants to Partner and Partner hereby accepts from SAP the right to:

- a) market and distribute those Software products for which Partner achieved and continues to uphold a successful Sell Authorization in its own name, at its own risk and for its own account; and
- b) position SAP Delivered Support for the Software purchased from SAP (excluding SAP Business One for which SAP Delivered Support is not available), if available for the Software product,

to End Users located in the Territory (as defined in the Sell On Premise Schedule).

2. Partner will use its best efforts to market and position SAP Delivered Support or to market, sell and provide VAR Delivered Support, if Partner is authorized to provide VAR Delivered Support, or VAR Delivered Support For Business One for the Software distributed under this Sell On Premise Model.

3. Partner is solely responsible for accurately and completely representing the Software and the Maintenance Services. Partner assumes all financial and legal liability for the quality, reliability and accuracy of all representations and warranties made by Partner, its employees, agents and consultants beyond what is contained in the Documentation. Partner will give the SAP Group and its licensors appropriate credit for the ownership of the Software, Documentation and other SAP Materials.

4. Partner must not deliver or recommend any software or other products that are incompatible with the Software.

5. Partner will be solely responsible for setting its own prices vis-à-vis the End User for the distribution of the Software.

Article 3 Specific Order Processes and Requirements

1. Partner will order Software from SAP using and filling out completely such forms and minimum order requirements as SAP may prescribe from time to time and must comply with any then-current order process for the specific Software product. Where applicable, Partner agrees to use the electronic means provided by SAP for placing orders.
2. With regard to each Software order for an End User, Partner must provide SAP with:
 - a) the name and address of the End User for whom the Software was ordered;
 - b) details of the Software ordered for the End User, including, without limitation, the product and country version as well as the number of users for each Software product;
 - c) details of any SAP Delivered Support agreement concerning the specific End User;
 - d) Partner's contact and billing information; and
 - e) any other data required by SAP in any then-current order process for the specific Software, Maintenance Services or both.
3. Orders and confirmations are binding, non-cancellable, non-revocable and non-transferable once submitted to SAP. All orders are subject to acceptance by SAP.
4. SAP will accept the Software order by the same means or by performing the Software order.
5. SAP reserves the right to decline Software orders if the Software is intended to be used on computers, operating and database management systems that SAP considers to be not suitable for use with the Software.

Article 4 Delivery of Software

1. SAP will deliver the Software as described in the Documentation and the Price List and will also provide the appropriate license keys. With regard to the features, quality and functionality of the Software the product description in the Documentation and the Price List is solely decisive. SAP does not own any additional features, quality or functionality. Partner can, in particular, not assert any additional feature, quality or functionality from any public statements, publications or advertisements by SAP except to the extent SAP has expressly confirmed such additional feature, quality or functionality in writing. Any representation, warranty, undertaking or guarantee regarding additional features, quality or functionality is effective only if expressly confirmed by SAP's management in writing.
2. After acceptance of an order, SAP will deliver to Partner one copy of the relevant Software:
 - a) on discs or other data media ("**Physical Shipment**"); or
 - b) by making it available for downloading through the internet (usually on the SAP ServiceMarket Place (<http://service.sap.com/swdc>)) ("**Electronic Delivery**").
3. The relevant Software and Documentation will be deemed delivered (including but not limited for the purpose of fixed delivery dates or timely delivery) and the risk passes to Partner:
 - a) in case of Physical Shipment, when the relevant disc or other data media is handed over to the freight carrier (FCA - Free Carrier (named place of delivery), Incoterms 2010); or
 - b) in case of Electronic Delivery, when SAP has made an electronic copy thereof available for downloading and has informed Partner accordingly ("**Delivery**").
4. Upon Partner's request or if stipulated in the order, SAP may agree to provide Software and the appropriate license key directly to the relevant End User instead ("**End User Delivery**"). In case of End User Delivery, the provisions set out in this Article 4 (Delivery of Software) will apply analogously; delivery to Partner will be deemed to occur upon Delivery to the End User.
5. SAP might be entitled to suspend the delivery of any or all SAP Products as well as applicable license keys to Partner or End User or both as further set out in this Sell On Premise Model as well as the PartnerEdge GTCs.
6. If Partner receives a new copy of the Software, Documentation and/or other SAP Materials that replaces previously provided Software, Documentation and/or other SAP Materials, Partner must distribute such newest copy provided and either destroy or upon SAP's request return previous copies.
7. Partner must not make the Software, Documentation and/or other SAP Materials available to the End User by any means other than by delivering the Software, Documentation and/or other SAP Materials as originally provided by SAP. Partner's right to pass on the Software, Documentation and/or other SAP Materials is subject to the provisions of this Agreement.

Article 5 Resale Software Fee

1. The general calculation basis for the Software is stipulated in the Price List and the applicable Discount Letter and will be specified in each Software order.
2. In consideration of the Delivery of the Software, Partner will pay to SAP the fee for the Software ordered for any End User as set out in the corresponding Software order.
3. In case of Physical Shipment, Partner will have to pay the costs of delivery and packaging.
4. In case of Electronic Delivery, SAP will make the relevant Software available for download at its own cost; Partner will bear the costs for downloading the Software and Documentation.
5. The fee for the Software ordered for an End User will be invoiced after Delivery of the relevant Software.

Article 6 Tax

1. Each Party will be responsible for the payment of its own taxes.
2. All taxes based on income that are imposed, or may be imposed, by any federal, state or local government entities for payments received under or in connection with any part of this Agreement will be borne by the recipient of the payment ("**Recipient**").
3. If the Party making such payments ("**Payer**") is required by law to withhold income or corporation tax or a similar tax ("**Withholding Tax**") from any gross payment to the Recipient under or in connection with any part of this Agreement, Payer will be entitled to withhold or deduct such tax from the gross amount to be paid if and to the extent that the Recipient may offset the withholding income and corporate tax liabilities according to the law the country of residence of the Recipient against its income or corporate tax liabilities. However, Payer must use all endeavours to reduce any such withholding payable to the lowest possible rate subject to compliance with all applicable laws and double taxation treaties. Recipient will cooperate with Payer to the extent that is necessary to apply for such reduction, especially by, but not limited to, providing necessary forms to Payer or the relevant tax authority. Otherwise, Payer is entitled to withhold tax at standard rates according to the relevant laws. The Payer will in the case of any withholding of any Withholding Tax provide to the Recipient a receipt from the relevant tax authority to which such Withholding Tax has been

paid. In case the Recipient under or in connection with any part of this Agreement is not entitled to offset the withholding income and corporate tax liability according to the law of the country of residence, Recipient and Payer will mutually agree in writing whether the Payer will be entitled to withhold taxes on account of the Recipient from the contractually agreed payments. The fact that such offset is not possible (or not possible in a specific year) must be notified by Recipient to the Payer.

4. All other taxes or charges of any kind (including but not limited to, customs duties, tariffs, excise, gross receipts, sales and use and value added tax) except income tax or corporation tax (or similar taxes) will be borne by the Payer. Partner must communicate to SAP its VAT or GST identification number(s) attributed by the country where Partner has established its business. SAP shall consider the Software distributed or provided under or in connection with this Agreement to be for Partner's business operations and provided to the location(s) of the Partner in accordance with the provided VAT or GST identification number(s). If any such tax or duty has to be withheld or deducted from any payment under or in connection with any part of this Agreement, Payer must increase payment under or in connection with any part of this Agreement by such amount to ensure that after such withholding or deduction, Recipient has received an amount equal to the payment otherwise required. Any applicable direct pay permits or valid tax-exempt certificates must be provided to SAP prior to the execution of the Sell On Premise Schedule.

Article 7 Protection of rights

Partner is not entitled to:

- a) Use the Software (except as necessary to perform VAR Delivered Support);
- b) make any Modifications, Add-Ons or other derivative work to the Software; and
- c) copy or otherwise reproduce temporarily or permanently in whole or in part the Software, not even for back-up purposes.

Article 8 License

Use rights for the Software that Partner orders from SAP for a specific End User will be granted at SAP's sole discretion either a) directly by SAP as owner or licensee of the Intellectual Property Rights to the End User as further described in this Article 8 no. 1 (Direct License) or b) by Partner to End User as further described in this Article 8 no. 2 (Indirect License).

1. Direct License

If SAP grants the Use rights for the Software directly to an End User, Partner must comply with the following provisions set out in this Article 8 no. 1 (Direct License):

- a) Partner must inform the End User of and include express provisions in its agreement with the End User stating that:
 - i. the use of the Software is subject to the terms and conditions of the EULA Acceptance Form, the EULA and the SUR;
 - ii. SAP will neither deliver any Software nor the applicable license keys until SAP received End User's duly signed EULA Acceptance Form; and
 - iii. SAP has the right not to grant a license as long as any of the adverse conditions as set out in this Article 8 (License) no. d) to f) is present.
- b) Partner must ensure that:
 - i. each End User accepts the then-current license terms by signing the then-current EULA Acceptance Form; and
 - ii. the person signing the EULA Acceptance Form is duly authorized to represent and has the full legal capacity to legally bind the End User.
- c) When Partner submits a Software order, Partner must also submit a copy of the EULA Acceptance Form signed by the End User for whom the Software is ordered. SAP will provide the means to attach, upload or otherwise submit a signed copy of the EULA Acceptance Form together with the Software order in the order process. If required in the country of the relevant End User, SAP will provide an address to which an originally signed copy of the EULA Acceptance Form by the End User must be sent.
- d) Partner is prohibited from making any changes to the EULA Acceptance Form, the EULA and the SUR but may have to insert certain additionally required information into the EULA Acceptance Form. Partner must further ensure that End User does not change the EULA Acceptance Form, the EULA and the SUR.
- e) If the relevant End User has not duly signed the EULA Acceptance Form or if the content of the EULA Acceptance Form, the EULA and/or the SUR was unduly changed or is incomplete, SAP will not accept the corresponding Software order for such End User and will, thus, neither deliver any Software nor the applicable license keys. Partner will indemnify SAP against any and all losses, actions, claims, expenses, demands and liabilities which may be incurred by or made against SAP if the EULA Acceptance Form, the EULA and/or the SUR were unduly changed or are incomplete.
- f) SAP's obligation to grant license rights to an End User is suspended where and for as long as certain adverse conditions are present as provided for in Article 6 (SAP's obligation to deliver) of Part 1 of the PartnerEdge GTCs.

2. Indirect License

If SAP grants Partner the right to grant the Use rights for the Software to an End User itself, Partner must comply with the following provisions set out in this Article 8 no. 2 (Indirect License):

- a) Partner must grant Use rights for the Software to an End User that are not less protective for SAP than the ones set out in the SAP GTCs and the then-current SUR ("**Indirect License**"). Each Indirect License must especially, without limitation, include and adhere to the following provisions:
 - i. License. End User may only be granted a non-exclusive, non-transferable, perpetual (except for subscription based licenses) license to Use the Software, Documentation, and other SAP Materials at specified site(s) within the Territory (as defined in the Sell On Premise Schedule) to run End User's and its Affiliates (as further defined and described in the SAP GTCs) internal business operations (including customer back-up and passive disaster recovery) and to provide internal training and testing for such internal business operations. End User may make Modifications and/or Add-ons to the Software but excluding Third Party Software in furtherance of its permitted Use under the Indirect License, and shall be permitted to use Modifications and Add-ons with the Software in accordance with this Article 8 no. 2a)i. (License) and the section concerning Modifications/Add-ons in the SAP GTCs. End User shall not: (i) use the SAP Materials to provide services to third parties (e.g., business process outsourcing, service bureau applications or third party training) other than to Affiliates (subject to the terms set out in the SAP GTCs); (ii) lease, loan, resell, sublicense or otherwise distribute the SAP Materials, other than distribution to Affiliates (subject to the terms set out in the SAP GTCs); (iii) distribute or publish keycode(s); (iv) make any Use of or perform any acts with respect to the SAP Materials other than as expressly permitted in accordance with this Article 8 no. 2a); (v) use Software components other than those specifically identified in the Software order placed by Partner and accepted by SAP for the relevant End User, even if it is also technically possible for End User to access other Software components;
 - ii. Software Use Rights Limitation. End User must also comply with the limitations stated in the SUR;
 - iii. Reservation of Rights. End User must accept that the SAP Materials and SAP Confidential Information and all title, rights and interest, especially, without limitation, any Intellectual Property Rights embodied therein are the sole and exclusive property of the SAP Group or

their licensors, subject to any rights, title or interest expressly granted to End User as set out in this Article 8 no. 2a)i. (License) and the section concerning Modifications/Add-ons in the SAP GTCs. Except for the rights set forth in this Article 8 no. 2a)i. (License) and the section concerning Modifications/Add-ons in the SAP GTCs, End User is not permitted to modify or otherwise make derivative works of the Software or other SAP Materials;

- iv. Protection of Rights. End User is not entitled to copy, translate, disassemble, decompile nor reverse engineer the Software or other SAP Materials. End User must not create or attempt to create the source code from the object code of the Software or other SAP Materials. End User must not change or remove SAP's copyright and authorship notices attached to or relating to the Software or other SAP Materials;
 - v. Confidential Information. End User must treat SAP's Confidential Information in a manner that is at least as protective to SAP as the rights and restrictions set forth in this Agreement; and
 - vi. Verification. End User must agree to permit SAP to audit (at least once annually and in accordance with SAP standard procedures, which may include on-site and/or remote audit) the usage of the Software and other SAP Materials.
- b) Partner must use its best endeavors to shield all members of the SAP Group from any liability arising out of or in connection with an Indirect License. Furthermore, Partner must include express provisions in each Indirect License agreement to ensure that any claim relating out of or in connection with an Indirect License will be brought against the Partner and not a member of the SAP Group.
 - c) Partner must ensure that all Software ordered for an End User is captured under a valid Indirect License with such End User.
 - d) Partner must ensure that:
 - i. each End User accepts an Indirect License before ordering Software from a Partner; and
 - ii. the person signing an Indirect License is duly authorized to represent and has the full legal capacity to legally bind the End User.
 - e) Partner must ensure that each Indirect License is legal, valid, binding and enforceable and that the obligations assumed by the Parties thereunder constitute legal, valid, binding and enforceable obligations.
 - f) Partner must inform each End User that SAP will not accept the corresponding Software order for such End User and will, thus, neither deliver any Software nor the applicable license keys if SAP has not received from the Partner the confirmation that an Indirect License was duly signed by the End User for the Software ordered.
 - g) Upon SAP's request, Partner must provide a copy of the signed Indirect License agreement to SAP (whereby blackening any references to commercial terms, especially prices). Partner must ensure that End User has given its consent for SAP to review each Indirect License.
 - h) Partner will indemnify SAP and all other members of the SAP Group against any and all losses, actions, claims, expenses, demands and liabilities which may be incurred by or made against SAP or any other member of the SAP Group if Partner did not concluded an Indirect License, if the terms of an Indirect License were less protective than the ones set out in the SAP GTCs and the then-current SUR, if an Indirect License is not legal, valid, binding and enforceable and if the obligations assumed by the Parties thereunder do not constitute legal, valid, binding and enforceable obligations.
 - i) Partner must inform SAP immediately if Partner or an End User terminated an Indirect License as well as about the reasons for such termination.

Article 9 Maintenance Services

1. SAP Delivered Support

- a) If an End User wants to order SAP Delivered Support and provided SAP offers SAP Delivered Support for the relevant Software products, the End User will need to conclude a EUMA directly with SAP.
- b) Partner must inform the End User that:
 - i. SAP will not deliver any SAP Delivered Support until SAP received End User's duly signed EUMA; and
 - ii. SAP has the right not to provide SAP Delivered Support as long as any of the adverse conditions as set out in this Article 9 (Maintenance Services) no. 1e) to f) is present.
- c) Partner must ensure that the person signing the EUMA is duly authorized to represent and has the full legal capacity to legally bind the End User.
- d) When Partner submits a Software order, Partner must also submit a copy of the EUMA signed by the End User for whom the Software is ordered if the relevant End User wants to order SAP Delivered Support. SAP will provide the means to attach, upload or otherwise submit a signed copy of the EUMA together with the Software order in the order process. If required in the country of the relevant End User, SAP will provide an address to which an originally signed copy of the EUMA by the End User must be send.
- e) Partner is prohibited from making any changes to the EUMA but may have to insert certain additionally required information into the EUMA. Partner must further ensure that End User does not change the EUMA.
- f) If the relevant End User has not duly signed the EUMA or if the content of the EUMA was unduly changed or is incomplete, SAP will not accept the corresponding SAP Delivered Support order for such End User and will, thus, not provide SAP Delivered Support. Partner will indemnify SAP against any and all losses, actions, claims, expenses, demands and liabilities which may be incurred by or made against SAP if the EUMA was unduly changed or is incomplete.

2. VAR Delivered Support

- a) VAR Delivered Support. If Partner wants to provide VAR Delivered Support, the Parties will, as a first step, have to agree on and sign the VAR Delivered Support Schedule which refers to the VAR Delivered Support Model. Further requirements for the provision of VAR Delivered Support are set out in the VAR Delivered Support Model.
- b) VAR Delivered Support for SAP Business One. Every Partner authorized to market and distribute SAP Business One is herewith authorized to market, sell and provide support to End Users located in the Territory (as defined in the Sell On Premise Schedule) for the SAP Business One products sold hereunder by Partner subject to the "Terms and Conditions for VAR Delivered Support for SAP Business One" which are made available on <http://www.sap.com/company/legal> and are incorporated and made a part hereof by reference. SAP Delivered Support is not available for SAP Business One. VAR Delivered Support For Business One is the sole support delivery model for SAP Business One.

Article 10 Term and Termination for convenience

- 1. Term. This Sell On Premise Model comes into effect as of the Effective Date defined in the Sell On Premise Schedule and remains in full force and effect until and including 31 December of the same year. Thereafter its term is automatically extended for subsequent periods of one year.
- 2. Termination for convenience. Either Party may terminate this Sell On Premise Model for convenience with three months' prior written notice to 31 December of each year.

3. Termination for non-compliance with Program Requirements. SAP may terminate this Sell On Premise Model with three months' prior written notice if Partner:

- a) did not meet all of the Program Requirements for the first time within six months after the Effective Date defined in the Sell On Premise Schedule; or
- b) does not comply with any of the Program Requirements excluding the Program Fee for which the termination periods set out in Article 10 (Termination for good cause) no. 1 a) and no. 2 a) of Part 1 of the PartnerEdge GTCs apply.

Article 11 Model-specific Effect of Termination

1. If this Sell On Premise Model is terminated, rescinded or ends in any other way, Partner's right to:

- a) market and distribute the Software; and
- b) position SAP Delivered Support,

to End Users located in the Territory under this Sell On Premise Model as set out in Article 2 (Engagement Model) immediately ends.

2. However, Partner will be allowed to distribute each Software product ordered from SAP for a specific End User for that SAP accepted Partner's order before this Sell On Premise Model was terminated, rescinded or ended in any other way ("**Accepted Software**") without undue delay to the End User for whom the Software product was ordered. Obligations existing or arising under subsisting individual orders remain unaffected. SAP is entitled to refuse to accept orders if SAP has reasonable grounds to believe that the End User cannot go live with the Software during the term of this Sell On Premise Model.

3. Notwithstanding anything in Article 11 (Effect of Termination) of Part 1 of the PartnerEdge GTCs, Partner will be allowed to use the Documentation as well as the SAP Logo and other SAP trademarks which he was authorized to use as set out in Article 4 (Trademark License) of Part 1 of the PartnerEdge GTCs solely in connection with the Documentation in order to distribute the Accepted Software without undue delay to the specific End User for whom the Accepted Software was ordered.