

SAP Service Description Custom Development Services

SAP will provide Custom Development Services to design and develop individual, Customer specific functionality by extending and enhancing Customer's Base Software 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 Custom Development Services.

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. **"Base Software"** means the SAP Software defined in the Scope Document upon which the installation and use of the Features depend/operate. Base Software is not licensed under Custom Development Services and must be acquired separately.
5. **"Business Requirements"** describe Customer's business goals and objectives and their relation towards the scope of the Custom Development Services.
6. **"Confirmation"** is a declaration of consent made via e-mail.
7. **"Custom Development Services"** means services agreed by the parties under the respective Order Form, and described in the relevant Scope Document.
8. **"Deliverable"** means work products of the Services provided by SAP in the course of the applicable Order Form for delivery to Customer.
9. **"Features"** means the SAP software functionality to be developed and provided as part of the Custom Development Services hereunder.
10. **"High Level Architecture"** describes the planned architecture of the solution on a high level.
11. **"Product Backlog"** is, together with the Vision & Scope Document, the solution description according to the SAP Custom Development Methodology Scrum Lifecycle. The Product Backlog consists of the Product Backlog Items. The final version of the Product Backlog, together with the Vision & Scope Document, contains the sole legally binding description of the Features and is the basis for the Acceptance Test of the Features.
12. **"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.
13. **"SAP Custom Development 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.
14. **"SAP Custom Development Methodology Waterfall Lifecycle"** means a sequential project management method, according to which the Customer's Software Requirements are realized consecutively as Features through the phases of the project lifecycle.
15. **"Software Requirements"** means the Customer's user requirements, functional requirements and non-functional requirements.
16. **"Solution Proposal"** contains the description of Customer's Business and Software Requirements and a high level solution overview.
17. **"Specification"** is the solution description according to the SAP Custom Development Methodology Waterfall Lifecycle. The Specification includes the description of Customer's Business and Software Requirements, and the High Level Architecture. The accepted Specification contains the sole legally binding description of the Features and is basis for the Acceptance Test of the Features.

18. **“Sprint”** means a set period of time during which specific work is realized and made ready for review.
19. **“Vision & Scope Document”** is, together with the Product Backlog, the solution description according to the SAP Custom Development Methodology Scrum Lifecycle. The Vision & Scope Document includes Customer’s Business Requirements, and the High Level Architecture. 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 Custom Development Methodology

SAP will provide Custom Development Services applying either its Custom Development Methodology Scrum or Waterfall Lifecycle. The applicable Custom Development Methodology Lifecycle will be stated and 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 it has all necessary license rights, including third party license rights, required to allow SAP to perform the Custom Development Services.
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 Custom Development Services 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 Custom Development Services is secured before the start of the project.
10. Provide an appropriate system landscape for development, test, and operation of the Features, with the necessary authorizations for onsite and remote access to those systems for SAP.
11. Provide a consistent, stable, and fast SAP remote support connection/service connection between SAP and Customer 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.
13. Provide technical advice regarding any relevant third party systems.
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 Custom Development Services specified in the 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 Custom Development Services 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 working days after having received it from SAP. Should Customer not respond within five 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 Order Form or Scope Document.
 - 1. The SAP employees assigned for the Custom Development Services 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 industry standard 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 Order Form or Scope Document.
 - 1. Developments that change or extend the standard SAP Software source code other than what is specified in the Scope Document.