

Managed Services (Application Management Services)

1 Definitions

1. **“Application Management Services (AMS)”** provide SLA based post implementation application support for a Customers SAP centric landscape.
2. **“Business Day”** means any days from Monday to Friday with the exception of public holidays at Customer location. This means that Saturday, Sunday, and country-specific public holidays are not Business Days. Exceptions may be specified in the applicable Scope Document.
3. **“Business Hour”** means business hours (8 a.m. until 6 p.m. local time) at Customer location on Business Days. Exceptions may be specified in the applicable Scope Document.
4. **“Change Management Process”** means the procedure to authorize, plan and deploy a change of the business process into the productive systems. All changes in the Customers system, which are not caused by an Incident or Problem or agreed as a Standard Change, are considered a Request for Change. Change Management does not only include the implementation procedure, but the holistic process from the requirement to the deployment. Changes are classified by their potential impact to the productive system (Regular Change and Emergency Change). Depending on the potential impact a certain approval level is required.
5. **“Change Request”** means any changes in the AMS Service as described in a written document signed by the parties and referencing the applicable Order Form.
6. **“Customer Data”** means any content, materials, data and information that Customer or its Named Users enter into the Computing Environment.
7. **“Continuous Operations”** The Request category Continuous Operations is intended for all Tickets that contain some kind of continuous support for a longer time period. As a rule, these will be periodical / recurring Tickets. They can be used to record proactive support (except monitoring) based on the Customer contract or separate agreements, continued consulting or minor maintenance tasks on request of the Customer if the Customer does not want to create a separate Ticket for each task. Continuous Operations Requests are processed in compliance with the Request Fulfillment process.
8. **“DEV” (Development Computing Environment)** means that part of the Computing Environment which is used only for the development and testing of new customizing or application adjustments.
9. **“Incidents”** means an unplanned interruption of a business process.
10. **“Initial Reaction Time (IRT)”** means the amount of time (e.g. in hours or minutes) between the receipt of a support Ticket (time stamp of Ticket status “open”) and the first action taken by an SAP support person (time stamp of Ticket status “in process”) to respond to an Incident or process a Service or Change Request”.
11. **“Key User”** means a customer’s specified contact person who has responsibility for a special business process and SAP software knowledge. A Key User is authorized to address Requests to SAP.
12. **“LAN”** means a local area network that is a logical computer network that spans a relatively small area.
13. **“License Agreement”** means the agreement between SAP (or an SAP SE Affiliate, or an authorized reseller of the SAP software) under which Customer procured the license rights to use SAP software that comprises part or all of the Hosted Software.
14. **“Local Time”** means, except as otherwise expressly defined below, the following time zones:
UTC–4, Americas (summer); UTC–5, Americas (EST winter)
UTC+2, Europe (summer); UTC+3, Europe (CET winter)
UTC+8, APJ
15. **“Month”** means a calendar month.
16. **“NON-PRD” (or “Non-Production Computing Environment”)** means any Computing Environment other than a PRD and may include development, quality assurance or sandbox environments.
17. **“PRD”** means that part of the Computing Environment, which is used exclusively for the execution of live business transactions.
18. **“Problem”** means the underlying root cause of an Incident. A Problem can cause multiple Incidents
19. **“Product Support”** means support provided by the software product manufacturer (e.g. SAP) due to software product errors.
20. **“Request”** means a question or a task that is addressed to AMS. A Request can be classified as Incident, Request for Change or Service Request.

21. **“Request for Change”** means the formal description of a desired business process change. Requests for Change are processed in compliance with the Change Management process.
22. **“Request Fulfillment Process”** means Service Requests are handled in the AMS Request Fulfillment process if they do not match the prerequisites for any other of the predefined AMS processes (Event Management, Incident Management, Problem Management or Change Management). These Service Requests will be further separated into one of the following categories: Standard Change, Request for Continuous Operations, or Service Request.
23. **“SAP Support Portal”** is part of the Global Support platform (included in SAP Enterprise Support), the SAP Support Portal is SAP's knowledge database and SAP's extranet for knowledge sharing on which SAP makes available content and services to customers and partners of SAP only. Thereby, the SAP Support Portal found at <https://support.sap.com/home.html> is SAP's central portal for all application based support Requests via creation of support Tickets.
24. **“Service Desk”** means a centralized function servicing the single point-of-entry for all AMS Requests and Tickets. The AMS Service Desk handles Tickets in compliance with the Service Desk process, i.e.
 - Ticket acceptance / rejection (contract, SLA, key user check)
 - Ticket monitoring (see SLA)
 - Ticket dispatching to the AMS core team consultants

The process Service Desk describes the workflow and tasks of the service desk function, including

 - Request / Ticket reception
 - Ticket creation (received by phone or email)
 - Ticket monitoring
 - Ticket dispatching and
 - Reporting
25. **“Service Level Agreement (SLA)”** describe the quality (e.g. IRT) and quantity (e.g. monthly support volume in hours) of agreed services between the Customer and SAP as service provider.
26. **“Service Level(s)”** means the minimum service level agreed by SAP in this Service Description or related Scope Document including Priority Levels and SAP Initial Reaction Times.
27. **“Service Request”** means any Request, which is no Request for Change and no Incident. Service Requests are processed in compliance with the Request Fulfillment process.
28. **“Service Time”** means times in which SAP provides the Customer with the defined AMS services according to the defined SLA.
29. **“Solution Time (ST)”** means the amount of time (e.g. in hours or minutes) between the time when processing of a Ticket begins (time stamp of Ticket status “in process”) until the first solution will be provided to the Customer (time stamp of Ticket status “solution proposed to customer” (can be set exceptionally manually in case of a workaround). The status “SAP Proposed Solution” means SAP has provided a corrective action or a solution proposal. The Solution Time does not include the time, when the Ticket is handed over to Customer (Ticket status “customer action”) or SAP's Product Support (Ticket status “Sent to SAP”) for processing. The Solution Time SLA only applies to Incident Management Tickets for PRD systems and if contractually agreed.
30. **“Standard Change”** means a low-impact change that are pre-defined and pre-authorized. Standard Changes are processed in compliance with the Request Fulfillment process.
31. **“Ticket”** means the format to document any support Request addressed by the Customer to SAP. Each Ticket is given a number at the point of time it is created. The Ticket number will be the single reference to the Customer's Request.
32. **“Workaround”** is a temporary solution aimed at reducing or eliminating the impact of an Incident for which a full resolution is not yet available.

2 Application Management Services

SAP will assist the Customer with the Application Management Services (AMS) for SAP applications.

The Application Management Services provide assistance to Customer in the ongoing application support of their SAP solution. The AMS Services to be provided by SAP are limited to the following scope and are subject to Customer fulfilling its responsibilities in this Service Description and Schedule A to the applicable Scope Document (Roles and Responsibilities for AMS).

All other services, systems, applications and locations supported, etc. are out of scope.

The following standard Application Management Services can be provided to the extent as described in Schedule A to the applicable Scope Document (Roles and Responsibilities for AMS). The relevant services in scope of the engagement will have to be selected in the applicable Scope Document.

2.1 Incident Management

- Ticket acceptance from Key Users according to defined SLAs
- Analysis and resolution of Incidents according to defined solution scope and agreed SLAs
- Recommendations on application- and system optimization
- Ticket-based documentation
- Request involvement of Product Support when necessary

2.2 Problem Management

- Ticket acceptance from Key Users according to defined SLAs
- Root cause analysis and resolution of Problems according to defined solution scope and agreed SLAs
- Recommendations on application- and system optimization
- Ticket-based documentation
- Request involvement of Product Support when necessary

2.3 Change Management

- Ticket acceptance from Key Users according to defined SLAs
- Analysis of Requests for Change according to defined solution scope and agreed SLAs
- Scope definition, commercial validation and creation of Requests for Change in collaboration between SAP's Engagement Manager and Customer's Engagement Manager, both defined in section 3 below
- Planning and deployment of Requests for Change according to defined solution scope and SLAs after Customers approval either as part of services described during the Operations Phase or as a Change Request to the Order Form
- Ticket-based documentation
- Request involvement of Product Support when necessary

2.4 Request Fulfillment

- Ticket acceptance from key users according to defined SLAs
- Implementation of Service Request, Request for Continuous Operations and agreed Standard Change according to defined solution scope and agreed SLAs
- Ticket-based documentation

2.5 Proactive Event Management (Monitoring)

- Carry out of monitoring activities as specified in the monitoring concept and creation of Incident Tickets for identified issues
- Monitoring alerts, categorization of alerts according to criticality, and creation of Incident Tickets for critical alerts
- Taking corrective actions by processing the Incident Tickets
- If agreed, proactive adjustment to relevant parameter to avoid further issues
- Ticket-based documentation

2.6 Proactive Services for SAP Applications

- Specific service activities defined for the customer specific landscape to be carried in proactive mode as specified in the Scope Document

SAP may provide some AMS services in either a proactive or a reactive mode. When providing services in a reactive mode, it is Customer's responsibility to identify issues, problems or work tasks for SAP to perform in providing the Services, each Requests have to be addressed to SAP by opening and sending a Ticket to SAP via SAP Support Portal with the full documentation of the inquiry.

Tickets can be classified as Event-, Incident-, Problem-, Change Management or Request Fulfillment. When providing services in a proactive mode, SAP will take the initiative to identify issues, problems or work tasks for SAP to perform in providing the Application Management Services. Unless otherwise agreed in the Scope Document, proactive services will only be provided for production systems.

SLA's will only be measured for tickets created in through SAP Support Portal or Customer's SAP Solution Manager application which has an online support connection to SAP Service and Support established for the SAP installation in scope of this Agreement or tickets created by SAP in SAP's support landscape on behalf of the customer.

As part of the engagement, SAP will provide selected Services as agreed in the Scope Document and/or Order Form up to an agreed number of person hours per month at the discretion of the Customer. The agreed number of monthly hours is designated in the Scope Document and/or Order Form for AMS.

As part of the engagement, SAP will provide selected services only for the SAP solution and business processes in scope as specified in the Scope Document for AMS.

The nature and type of support activities are described in the Schedule A to the applicable Scope Document (Roles and Responsibilities for AMS). Some services will require tasks to be performed by both Customer and SAP personnel for the successful completion of the service.

The services during live operation are provided remotely by SAP. Onsite services at Customer's request require at least one month's notice and must be submitted in a Change Order in accordance with the Change Request Procedure as defined in Exhibit A. SAP cannot guarantee that it will be able to provide resources for these services.

The platform to be used to create support Requests to SAP AMS will be SAP Support Portal.

Customer is responsible for setting up, operating and maintaining its ticketing infrastructure as described in "Customer Responsibilities and Obligations" in section 5; unless otherwise agreed in the Scope Document. SAP does not take any responsibility for ensuring that the Ticket replication from Customer ticketing infrastructure to SAP is functioning properly.

2.7 Continuous Improvement

Along with provision of continuous, operational managed services per mutual agreement SAP may help Customer to address efficiency challenges and prepare Customers existing landscape for further improvements, redirecting capacity from operations to create opportunity for innovation:

- Assessment and benchmark of operations and scope
- Design of Operations efficiency roadmap

SAP recommends to schedule recurring assessments and reviews according to this approach under the managed services engagement.

Realization of improvements will be implemented outside of the managed service engagement under a Lifecycle Management for Operational Efficiency with the following approach:

- Transition to achievement of operations efficiency
- Continuous Improvement Measures for Innovation Readiness
- Innovation Framework and Innovation strategy roadmap

3 Engagement Management

SAP and Customer shall each designate an Engagement Manager. Customer's Engagement Manager shall be empowered to make necessary decisions for Customer or bring about such decision without undue delay and shall provide a list of key Customer contacts, contact role, title, office phone number, cell phone number, e-mail address, etc. SAP's Engagement Manager shall coordinate all Application Management Services performed by the assigned SAP resources. Such Engagement Managers shall cooperate closely with each other to administer the terms of this service description and any Order Forms.

4 Engagement Approach

An AMS engagement consists of four phases with varying duration: Transition, Stabilization, Operations and Closure.

4.1 Transition

The Transition phase precedes the Stabilization and Operations phases and has the objective to establish cooperatively all roles, processes and tools required for a successful delivery of the Application Management Services in the next phases. No Tickets are processed during this phase.

SAP will provide a support structure so that the resources required to provide the Application Management Services are available and that they have the necessary Customer-specific knowledge of the supported applications that will be used.

This includes in particular:

- Appointing SAP's Engagement Manager
- Integration into the processes of SAP's Service Desk
- Knowledge transfer to the SAP support team concerning the Customer-specific SAP solution

A mutually agreed transition plan will be drafted in detailed discussions with the Customer during the initial stages of the transition and will be used to track all services throughout this phase.

One key activity of Transition phase is the knowledge transfer to make the SAP AMS team familiar with the specifics of the Customer's solution. The intensity and manner of the knowledge transfer depends on the Customer's IT organization or implementation partner of the Customer, if applicable, and the complexity of the Customer's supported IT solution (number of systems, application scenarios, business processes and modifications within the SAP solution, the number of non-SAP applications and interfaces, and so on).

The knowledge transfer phase will be coordinated by the SAP Engagement Manager with strong cooperation of the Customer or the responsible contact partner of Customer if applicable, and also with the Customer's project manager responsible for the implementation, if applicable. The knowledge transfer will focus on the business processes listed in the applicable Scope Document.

The knowledge transfer will provide the SAP AMS team with the necessary knowledge required for the provisioning of the services, which may, as appropriate include information, records, documents, test scripts, data and live demo-sessions pertaining to SAP's delivering its in-scope services to the Customer.

The Transition phase is a project in itself and consists of 2 primary steps: Transition Planning and Transition Execution (including final service validation and test). The duration of this phase varies depending on the complexity of the AMS engagement

The main steps in the Transition phase are as follows:

Transition Planning	Planning and Preparation	Detailed workshops between Customer and SAP, team on boarding, defining responsibility matrix and governance models.
	Setup	Request and provisioning of infrastructure and application accesses and other resources necessary to support the Customer. Setup and testing of the ticketing tool.
Transition Execution	Knowledge Acquisition	SAP to attend knowledge transfer sessions led by the Customer or responsible contact partner of Customer, if applicable and gather, update and/or prepare documentation, if necessary. Review of documentation provided by Customer.
	Shadow Support	Optional step: SAP to observe and assist Customer team on-site or remotely (locations to be determined).
	Reverse Shadow Support	Optional step: SAP to perform services while Customer team to support as escalation contacts.
	Finalize Transition Phase	Service Test on SLA Management, Reporting and Monitoring. SAP to perform final Operations Readiness checks and move on to coordinate cutover activities. Sign off the Transition phase by Customer and SAP.

In addition to Customer Responsibilities and Obligations regarding Application Management Services listed in section 5 Customer is required to provide the following during the Transition phase:

- Ensure that SAP Personnel receive all necessary usage rights for Customers systems. During the planning phase, it will be determined which authorizations have to be assigned to these users. Support authorizations will have to allow SAP to provide the support services according to Roles and Responsibilities of the applicable Scope Document for Application Management Services
- Customer's Key Users will support the SAP AMS team in acquiring the necessary knowledge for supporting the business processes in scope. In addition, Customer will provide the relevant documentation required for Application Management Services, especially detailed system documentation for the supported systems and other documents if required

4.2 Stabilization

The Stabilization phase precedes the Operations phase and has the objective to mature all aspects of solution operations to a steady state when productive SLA measurement starts in the Operations phase.

During the Stabilization Phase, the services described in section 2 will be provided primarily remotely in accordance with the agreed scope, but without SLA's. Tickets are processed in compliance with the Event-, Incident-, Problem-, Change Management or Request Fulfillment Process. During this phase, application landscapes shall be stabilized and the consultants' familiarity/understanding with the system landscape increased.

If necessary, SAP will also provide support onsite under this agreement for up to an agreed number of days per event as designated in the Order Form for AMS. Services provided onsite require prior notification irrespective of the priority of the issue at hand. Onsite services are documented in a Ticket, which has to be processed in compliance with the Event-, Incident-, Problem-, Change Management or Request Fulfillment Process.

The duration of this phase varies depending on the complexity of the AMS engagement.

The main steps in the Stabilization phase are as follows:

Stabilization	Kick-off Operations	Conduct a kick-off meeting with the Customer organization (e.g. key users).
	Finalize documentation and ITSM procedures	Business processes and technical documentation by Customer and AMS Procedural Manual by SAP will be updated along the experiences made in the stabilization phase to complete relevant documentation to provide the services.
	Signoff	Perform exit criteria of Stabilization and Obtain customer sign off to commence Operations

4.3 Operations

The Operations Phase is the main phase of the AMS engagement.

The services described in section 2 during Operations Phase are provided remotely by SAP and will be documented in a Ticket, which has to be processed in compliance with the Event-, Incident-, Problem-, Change Management or Request Fulfillment Process. All Tickets are processed in accordance with the agreed SLA's and solution scope as defined in the applicable Scope Document.

If necessary, SAP will also provide support onsite under this agreement for up to an agreed number of days per event as designated in the Order Form for AMS. Services provided onsite require prior notification irrespective of the priority of the issue at hand. Onsite services are documented in a Ticket, which has to be processed in compliance with the Event-, Incident-, Problem-, Change Management or Request Fulfillment Process.

Onsite services at Customer's request that exceed the given time requirements require at least one month's notice and must be submitted in a Change Order in accordance with the Change Request Procedure as defined in Exhibit A. SAP cannot guarantee that it will be able to provide resources for these services.

The main steps in the Operations phase are as follows:

Operations	Service delivery	Perform day-to-day monitoring and support
	SLA monitoring	Perform SLA monitoring to prevent SLA violations
	Governance meetings	Perform regular internal meetings and meetings with the customer to meet quality of service delivery and to discuss and agree on proactive tasks as well as continuous improvements
	Reporting and Invoicing	Provide regular reporting
	Update documentation about ITSM procedures	Regularly review and update of business processes and technical documentation by Customer as well as the AMS Procedures Manual by SAP.

4.4 Closure

The Closure Phase is the last phase of the AMS engagement. The start and end of this phase is not planned at the time of contracting but agreed on once either Customer or SAP provide termination notice, the duration of this phase varies depending on the finalization of activities.

The objective of the Closure Phase is to jointly ramp down the AMS service at SAP by handing back responsibilities to the Customer.

SAP will return all Customer documents received and provide support to the knowledge transition sessions as may be requested by the Customer during this engagement Closure Phase.

During the Closure phase service delivery continues as described in Operations Phase, i.e. this particularly includes Ticket processing in compliance with the Event-, Incident-, Problem-, Change Management or Request Fulfillment Process. Additional activities are managed in a project. A joint project plan (Exit Plan) will be drafted in detailed discussions with Customer during the initial stages of the Closure Phase and will be used to track all services throughout this phase.

The main steps in the Closure Phase are as follows:

Knowledge Transfer	Knowledge Transfer sessions	Customer to attend knowledge transfer sessions led by SAP.
	Handover meeting and sign-off	Customer and SAP verify that if all closure action items have been executed and customer signs off the official end of the engagement.
Engagement Closure	Ticket handling	Ticket processing and confirmation by the Customer before Services end
	Deactivation	Termination of processes, meetings, final reporting and invoicing
	Setup	Deactivation of users, infrastructure and tool environment

5 Customer Responsibilities and Obligations

- 5.1 Customer will provide all software products and licenses required for the services to be provided including all necessary maintenance agreements (in particular for SAP software used) for the entire contract period. Customer will use a currently maintained release of the SAP Software in accordance with Customer's End User License Agreement (Software License Agreement) with SAP, unless the parties otherwise agree to an earlier Releases.
- 5.2 Customer will grant SAP nonexclusive rights to operate these software products solely for the purpose of supporting and modifying the applications used. Customer will make any necessary changes to the software licenses or maintenance agreements at Customer's expense.
- 5.3 Customer is responsible for specifications of the IT solution regarding availability and security.
- 5.4 Customer is responsible for technical operation (hosting) of the SAP solution.
- 5.5 Customer is responsible for provisioning, operation and servicing of Customer's LAN or parts thereof (infrastructure, local printers, software, and so on).
- 5.6 Regardless of the scope of services provided under this engagement, Customer is responsible for the implementation and the design of the overall software solution.
- 5.7 Customer is responsible for the definition and execution of its business processes including but not limited to application and data security policies, Sarbanes-Oxley compliance standards and processing requirements.
- 5.8 Customer is responsible to provide SAP reasonable and sufficient documentation of its business processes in order for SAP to perform its responsibilities.
- 5.9 Under this Agreement, a Request will be processed after a Ticket has been issued to SAP detailing the Request. Customer must open the Ticket in SAP Support Portal or Customer's SAP Solution Manager application, which has an online support connection to SAP Service, and Support established for the SAP installation in scope of this Agreement. Alternative entry channels for Ticket acceptance shall be specified and agreed in Scope Document only.
- 5.10 Customer will ensure that SAP has access to the supported systems within Customer's IT solution and will bear any expenses required for this purpose.
- 5.11 Customer is responsible to ensure that its Product Support parties reasonably cooperate in their timely receipt and handling of queries and Tickets forwarded from SAP.
- 5.12 Customer is responsible for all data stored into the systems. Customer is responsible for backing up its data. Except where otherwise expressly indicated in writing by Customer, SAP is always entitled to act on the assumption that all Customer Data is backed up.

- 5.13 Customer will ensure that the release of any new or upgrade to Customer's software complies with the interface requirements of the solution in scope and will notify SAP at least eight (8) weeks prior to the release of any new or upgrade to the software.
- 5.14 For the entire duration of the engagement, Customer names and maintains a representative who will be Customer's primary point of contact in dealing with SAP for this engagement and will have the authority and power to make decisions with respect to any action to be taken by Customer under this contract.
- 5.15 The Customer Key Users are capable of providing 1st Level Support to the end-user community. Customers 1st Level Support gathers Customer's information on a disruption of service or on a Service Request. For a disruption of service, Customers 1st Level Support will try analyze the issue, figure out a solution or work-around or pass it to SAP AMS.
- 5.16 Customer and SAP will provide timely and adequately skilled team members and replace vacated team slots as deemed necessary during the engagement without undue delay.
- 5.17 In due time before start of the Transition phase, Customer will make technical documentation, end-user documentation and business process documentation available to SAP in English language (exceptions may be specified in the applicable Scope Document). In case Customer fails to provide this documentation on time or if the documentation does not have the required level of detail, the service start might be delayed and support efforts by SAP might increase.
- 5.18 Customer informs SAP in a timely manner, i.e. with a lead-time of three (3) months about changes to the required support in terms of volume, languages and service times.
- 5.19 Customer provides SAP for the semi-annual audits a user with all necessary authorizations free of charge. This is required for all systems in which SAP has responsibility for transportation management. Customer also confirms that its transportation management can be checked for audit purposes and that information is also made available to the respective auditors. This is only applicable if during the set up phase it is agreed that SAP will be responsible for transports to production.
- 5.20 During the agreed service times Customer will ensure the availability of a sufficient number of Key Users who have the required technical-, application and business process knowledge and sufficient skills to communicate with SAP's AMS Consultants in the agreed support language and will provide to SAP a list of the key users including name, function, phone number, fax number and email address. Customer will ensure that all Key Users are familiar with the support process including Ticket creation and processing via the SAP Support Portal or Customers SAP Solution Manager Application. Customer is responsible for adaptations or extensions to the solution, for example, ones caused by Customer's changing requirements or structures (Organizational Change Management).
- 5.21 SAP's provision of the Application Management Service is subject to Customer fulfilling its responsibilities described in Schedule A: Roles and Responsibilities of the applicable Scope Document for Application Management Services. Customer agrees to execute prompt performance of such responsibilities and provide the employees and resources required for the project phases in sufficient measure.
- 5.22 Customer agrees to provide the following:
- Customer's policy and procedures regarding the authorization of access to the Computing Environment. Customer agrees to inform SAP of any changes to such policy and procedures as soon as practicable without delay
 - A service user ("S-User") ID in the Computing Environment with the authorizations defined below. This S-User ID, which is (initially) assigned to Customer by SAP in support of the License Agreement and which Customer uses to log on to SAP's Support Portal for software download and support is required by SAP's in order to permit SAP resources to also log on and perform software download tasks necessary to obtain the software for set-up of the Computing Environment. Required authorizations include:
 - Sending and/or creating and / or confirming and / or re-opening Customer messages (Tickets)
 - SSCR key registration
 - Processing service messages (Tickets)
 - Opening service connections
 - Software download
 - Maintaining system data
 - Requesting license keys

Customer hereby provides SAP with the express authorization to set up and use an S-user with these authorizations. Customer will ensure that any authorizations that may be required for third parties or its employees will be provided promptly.

- 5.23 In the event that any SAP equipment is required at the Customer facility, Customer shall provide a physically secure and conditioned environment for any such equipment provided to Customer by SAP and Customer bears

all risk for damages. SAP shall not be responsible for any damages to the extent resulting from Customer's failure to provide a physically secure and conditioned environment.

- 5.24 Customer is and will remain solely responsible for the definition, documentation and execution of its business processes including, but not limited to, configuration of systems management and application and data security policies, batch processing requirements, and compliance with other governmental or regulatory requirements. Customer is and will remain responsible to provide SAP necessary and sufficient documentation of its applicable processes in order for SAP to perform its Application Management Service responsibilities under the Agreement. Customer is solely responsible for determining the suitability of the Application Management Services for Customer's business and complying with any regulations, laws, or conventions applicable to the Customer Data and Customer's use of the Application Management Services.
- 5.25 Reference Sites: During the term of the contract as agreed in the Order Form, Customer will use its best efforts, to host up to four (4) hours a month of reference calls. Such reference calls will be performed after obtaining approval from Customer and will be coordinated through the applicable SAP Engagement Manager.
- 5.26 Customer ensures that all systems and product specific tools can be accessed by SAP via standard remote/service connection maintained in SAP Support Portal. For products or tools where service connections are not available, the customer has to provide a Windows Terminal Server access. Customer specific VPN client solutions will not be supported by SAP.

If Customer fails or partially fails to comply with these collaborative and cooperative duties or if Customer fails to comply with these collaborative and cooperative duties in the right quality or if Customer fails to comply on, SAP can request adjustments of the schedule and/ or charge additional costs resulting out of the non-compliance to Customer at the agreed rates.

6 Service Levels and Reporting

6.1 Service Level Agreement (SLA)

The following Service Levels are standard options, will apply for the service as defined in the applicable Scope Document and are based on the following definition for priorities:

Ticket Priorities

The following priority levels (Ticket Priorities) apply to all Tickets (such priority to be assigned by Customer and may be re-assigned by SAP based on the criteria below and acting reasonably):

Priority	Characteristics
Priority 1 – Very high	<p>An Incident should be categorized with the priority "Very High" if the Incident reported has very serious consequences for normal business processes or IT processes related to core business processes, and urgent work cannot be performed. This is generally caused by the following circumstances:</p> <ul style="list-style-type: none"> • A production system is completely down • The imminent go-live or upgrade is jeopardized. • The core business processes of Customer are seriously affected. <p>A workaround is not available. The Incident requires immediate processing because the malfunction may cause serious losses.</p>
Priority 2 – High	<p>An Incident should be categorized with the priority "High" if normal business transactions are seriously affected. Necessary tasks cannot be performed. This is caused by incorrect or inoperable functions in the PRD or DEV or QAS system that are required immediately. The Incident is to be processed as soon as possible because a continuing malfunction can seriously disrupt the entire productive business flow.</p>
Priority 3 – Medium	<p>An Incident should be categorized with the priority "Medium" if normal business transactions are affected. The problem is caused by an incorrect or inoperable function in the PRD or DEV or QAS system. The Customer orders a change to or a service for an existing critical business process.</p>

Priority 4 – Low	An Incident should be categorized with the priority "Low" if the problem reported has little or no effect on normal business processes. The problem is caused by incorrect or inoperable functions of the PRD, DEV or QAS system that is not required daily or only rarely used. This priority is also used for any other Service Request.
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Service Times

Service hours (Service Times) and Scope for Application Management Services to be provided are specified in the applicable Scope Document for Application Management Services.

Initial Reaction Times (IRT)

Initial Reaction Time SLA for reactive Ticket based services can be agreed as and only if specified in the applicable Scope Document for Application Management Services.

Solution Times (ST) – Optional

Optional Solution Time SLA can be agreed for Application Management Services, as and only if specified in the applicable Scope Document for Application Management Services.

Solution Time SLA is met if – within the Service Level – SAP provides a solution proposal for resolving the issue or a workaround. If the solution proposal is based on a workaround, SAP and Customer will agree on an action plan for creating and implementing a permanent resolution. This action plan includes a timeline, action items and persons responsible.

Solution Time SLA is measured in the SAP AMS Ticket tool.

If Customer changes the priority of a Ticket, the service levels “Initial Reaction Time” and “Solution Time” restarts from this point.

The Solution Time starts when the Ticket status is set to “In Process”. Solution time stops when the Ticket is on status “Customer Action” and continues to count when it is on status “In Process” at SAP. Solution Time also stops if SAP sets the status “On Hold” and only continues to count when the status is set to “In Process” by SAP. The status “On Hold” may be set in the following situations:

- Returning Ticket to Customer to request additional information
- Returning Ticket to Customer to request a solution approval
- Circumstances that are beyond the control of the SAP AMS team (see more below)
- Delays caused by third Parties (i.e. not by SAP AMS team). In this context other SAP units than SAP AMS are also considered “3rd Parties”

Solution Time SLA is only applicable under the following circumstances:

- Ticket is classified as “Incident”
- Issue occurs in a productive system
- Ticket priority is set in accordance with the priority definitions

Those times that a Ticket is with Product Support are excluded from the Solution Time calculation.

Prerequisites for Solution Time SLA and Customer's duties

Solution Time is only applicable if the prerequisites for Solution Time SLA are met and if Customer performs his collaborative and cooperative duties. That means in particular:

- Customer provides working remote access for SAP
- Customer ensures system availability of SAP Systems described in the applicable Scope Document, especially hardware and network
- Customer provides all authorizations required for SAP to provide the described and agreed services. This includes in particular technical authorizations needed to work in SAP Systems described in the applicable Scope Document
- Customer ensures that changes in the SAP Systems, which were not implemented by SAP, will be made known to SAP ex ante. This is done by handing over a documentation describing all technical and process aspects of the change. These changes will be added to the scope based on mutual agreement
- Customer ensures that all required information is given to investigate the issue. That means, that a Ticket must include at least the following:
 1. step by step instructions for reproducing the issue,
 2. a set of data to reproduce the issue
 3. a precise description of the issue (including comparison of actual and expected system behaviour)
- Customer ensures that Key Users with sufficient functional and technical expertise as well as decision making authorization are available and reachable (including contact data such as phone number)
- Customer creates Tickets in SAP Support Portal
- Customer actively supports the resolution process. That means in particular that Customer without delay validates the proposed solution
- Customer provides all required information without delay, and
- Customer ensures that all provided data and information are correct

Limitations

The following time windows are explicitly excluded from Solution Time SLA:

- Maintenance windows according to the Customer requirements
- Time windows which can be attributed to technical unavailability of the software solution (hardware, network, infrastructure or other)
- Time windows which can be attributed to issues caused by the Hosting Provider
- Time windows which can be attributed to issues with software products that are not included in the scope

In case of events of force majeure and other Incidents not caused by SAP, which prevent a smooth and uninterrupted resolution process, Solution Time will not be applicable until normal operations can be re-established.

If Customer fully or partially fails to comply with one or multiple of the listed prerequisites or only fulfils one or multiple of the listed prerequisites in the required quality or not within the required time and if there are delays caused by that SAP will not be in default even if the Solution Time expired. The onus for noncompliance of business process availabilities, the fulfilment of requirements, the reaction times and resolution times lies with Customer.

6.2 Service Reporting

SAP will provide reports to Customer with information about the services provided.

Monthly Customer Report

SAP will create a monthly report providing Customer with information about the services provided in the previous month. The report will be made available online via the AMS Reporting Dashboard for the last reporting month and as downloadable PDF document for last 12 reporting months and will include the following information for the in the respective reporting period:

- Overview of the supported IT solution in scope of the services provided
- Management Summary / Recommendations for continuous improvement
- Total number of Tickets received including break down per service category, per priority, per location, per application

- Total number of completed / not completed Tickets including break down per application
- Total efforts for Tickets processed per month and accumulated over last 12 months (including break down per application and service category)

Real Time Ticket Reporting

A Real Time Ticket Reporting will be available online via the AMS Reporting Dashboard providing detailed information (including Ticket ID, priority, application, service category, status) on Tickets.

7 Dispute Resolution

Each party will nominate a representative who will be the other party's prime point of contact with respect to the performance of the Application Management Services. Each party will further nominate a representative who will serve as a decision-making authority in case of any dispute or escalation that cannot be settled between the primary points of contact within a reasonable period.

Exhibit A: Change Request Procedure

Exhibit B: Template for Acceptance Protocol

Exhibit A: Change Request Procedure

If during the provision of the agreed services changes are identified – changes that in Customer's or SAP's view affect the scope (by material reduction or excess), content, methods, or schedule, they must be agreed, documented and tracked in the provided Change Request form. When one party initiates a Change Request (the "Requesting Party"), the other party ("Responding Party") will use reasonable efforts to respond to such Change Request within ten business days of receipt. Further, both parties will use reasonable efforts to either fully execute such Change Request, or mutually agree to abandon such Change Request, within fifteen business days of the Responding Party's receipt of the Change Request.

The parties must agree to, any change in the AMS Services in writing. The following procedure will be used to control a Change Request ("CR"), whether requested by Customer or SAP.

Summary of the Change Request Procedure:

1. All CR's must be made in writing on the CR form described below and shall be submitted to the appropriate Customer or SAP designated point of contact ("receiving party") for the Managed Services in order to initiate any CR.
2. Upon receipt of a CR, the receiving party will assess the requested change to the AMS Services and inform the submitting party of the result of the assessment within a mutually agreeable period.
3. In the case of an affirmative response, Customer will provide SAP with a CR response specifying the effects of the change to the AMS Services and the estimated cost of the additional Services.
4. SAP will review the CR response within a mutually agreeable period and either accept or reject the CR.
5. If SAP accepts the CR, the changes will be integrated into the AMS Services schedules. If rejected by SAP, SAP will only provide the AMS Services to the extent possible, which were agreed to prior to this CR.
6. Neither party is under no obligation to accept any CR.

Information to be provided on the Change Request form:

1. To initiate a CR, the submitting party must provide the following information:
 - a. Name of contact(s) submitting and sponsoring the requested change.
 - b. Whether the request relates to the AMS Services under this Order Form or to additional Services.
 - c. Description of the requested change.
2. Once the Change Request is received, SAP will conduct an impact and cost analysis. The following information will be provided as a result of this analysis in the form of a CR response:
 - a. Description of the impact, if any, on existing AMS Services.
 - b. Description of additional deliverables, if any, required for the Change Request.
 - c. Proposed schedule for any additional Services being requested.
 - d. Estimate of the change, if any, to the AMS Services fees caused by the Change Request, including the rationale/methodology used for this calculation.
 - e. Recommendation on disposition of the CR (approve, disapprove, defer).

If rejected the CR shall be returned to the submitting party with written reasons for rejection and, as appropriate, any alternatives.

A CR that is approved by the parties shall constitute a Change Request and a modification to the applicable Order Form. All approved CR's will be incorporated into the Order Form once Customer and SAP execute the CR form attached hereto. SAP will not perform any Services under the Change Request until the CR has been fully executed by both parties.

The following example shows a template for a Change Request form:

Change Request: [CR #]

to

Order Form for Managed Services (Application Management Services)

SAP Reference No. **<Insert Order Number>**

between

<SAP> (“SAP”)

and

_____ (“Customer”)

This document must be completed and submitted to the appropriate person to commence any change order.

1. Describe reason for requested change:
2. Describe impact, if any, on existing Managed Services:
3. State estimated fee change, if known. Provide a rationale/methodology for used to calculate any change:
4. Change Process:
5. Scheduled Date for Change:
6. Terms and Conditions:

IN WITNESS WHEREOF, the parties have so agreed as of the date written above.

Accepted By: SAP By: _____ Print Name: [SAP Representative] Title: [Title] Date:	Accepted By: [Customer] By: _____ Print Name: [Approver] Title: [Title] Date:
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Change Request		Sales Order			
SAP		SAP P.O.			
SAP Number		Original			
Item	Invoice Text (40 char)	Amount	One-Time Monthly	Full Partial	Begin Bill Month

Exhibit B: Template for Acceptance Protocol

Acceptance Protocol

Engagement Name:

Working Package:

Customer Project Manager		SAP Engagement Manager	
Order No.			
Customer	Customer Name Department or Contact Person Street, No. ZIP Code, City		

1 Handover of Engagement Results

The subject matters of the contract subsequently specified were handed over and were defined in detail in the following documents:

ID	Deliverable	Document	Date	Comments
1	Kick off Workshop			
2	Monthly report			
3	ISAE 3402 Quality Assurance Report twice a year			

Place, Date	SAP Engagement Manager
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Acceptance Statement	
<input type="checkbox"/>	The activity results have been generated as mutually agreed in the contract. Consequently, the contract has been fulfilled on part of SAP to the full extent. The Customer hereby declares his acceptance.
<input type="checkbox"/>	The activity results show defects, which do not preclude acceptance and which impair the usefulness of the contracts goods, works and services only to an insubstantial extent. These open issues listed below shall be rectified. The Customer hereby declares his acceptance.
<input type="checkbox"/>	The activity results show substantial defects, which preclude acceptance. Acceptance is refused. The open issues will be listed below.

No.	Ref. to ID	Open Issue	Responsible	Deadline
Place, Date	Customer			