

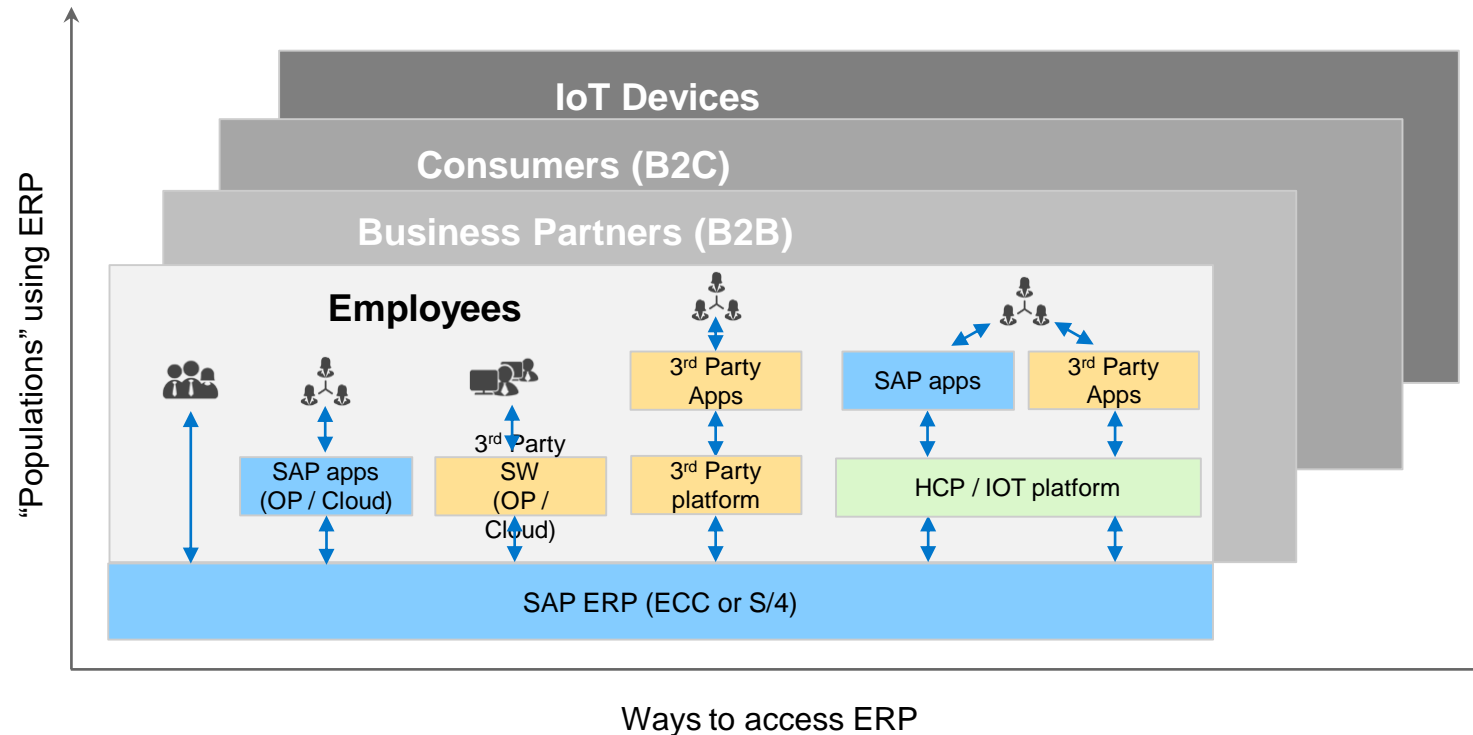
Strategic Pricing and Commercialization

Indirect Use Update

May 2017



The technology landscape has changed dramatically over the years and so has the way customers consume and use software



- Multitude of populations using ERP
- Multitude of ways ERP is being accessed
- Multitude of Use scenarios



- Decades old, very challenging topic
- No “one size fits all” solution

We are evolving our licensing policies to match the reality of how software is used and deployed.

SAP is acting on customer demand to provide clear transparent guidelines & definitions for indirect licensing

Transparency

- Transparent rules for most common indirect use scenarios
- Transparent view of usage and entitlement via a Compliance Dashboard (S4 only)

Predictability

- Predictable definitions and pricing principles so customers can reliably plan budgets according to usage agreements
- Proactive conversations with customers with an appealing offer to incent customers to discuss their contract scenarios and ensure compliance

Consistency

- Consistent definitions and application of licensing policies across accounts, geographies, and industries

We intend to solve decades old challenge in phases – starting with most common scenarios

New pricing policy to address most common indirect use cases

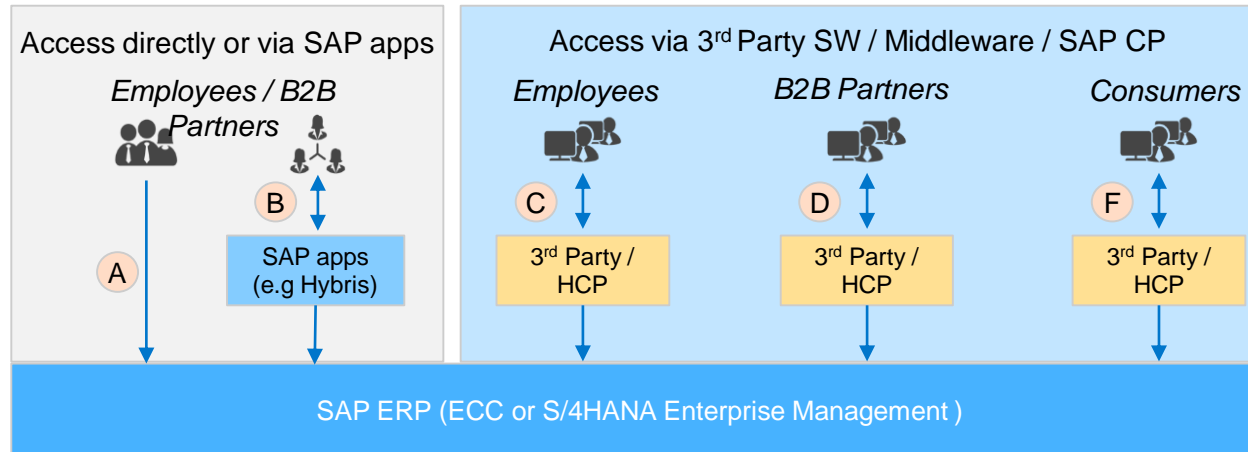
Procure-to-Pay and Order-to-Cash use cases are now based on 'orders'. Static read access is now included with ERP licenses.
Other scenarios remain unchanged

Change policies for Common scenarios	Order-to-Cash (O2C)	<ul style="list-style-type: none">Monetize O2C processes triggered via 3rd party system based on Sales Orders
	Procure-to-Pay (P2P)	<ul style="list-style-type: none">Monetize P2P processes triggered via 3rd party system based on Purchase Orders
	"Static read"	<ul style="list-style-type: none">Access to "static data" in certain scenarios included with underlying SW license.

Minor / No policy changes for other scenarios	Employee Indirect	<ul style="list-style-type: none">All employees accessing SAP ERP via a 3rd party system will continue to be licensed based on User metric, except for O2C, P2P scenarios*
	B2B Partner Indirect	<ul style="list-style-type: none">All B2B Partners accessing SAP ERP via a 3rd party system will continue to be licensed based on User metric, except for O2C, P2P scenarios*

Policy will be executed with empathy through a program that does not collect back maintenance payments for SAP SW and encourages customers to proactively engage with SAP

Common scenario 1: Order-to-Cash (O2C)



Orders in O2C context means the number of Sales and Service orders processed annually

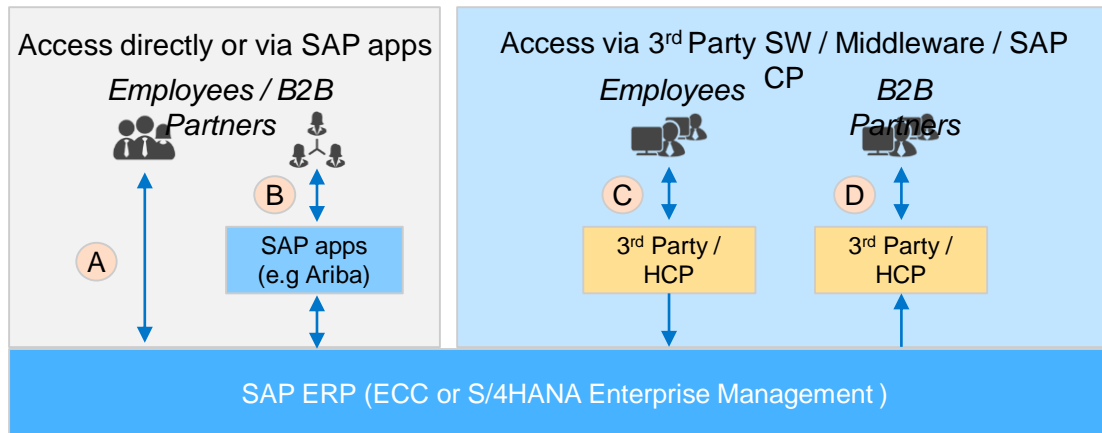
Order-to-Cash process in this context is limited to the following functions:

- Look-up and view availability and pricing of Licensee and/or Licensee Affiliate products/services;
- Create and issue customer pricing proposals/quotes for Licensee and/or Licensee Affiliate products/services;
- Process Orders (place, receive, confirm receipt of, invoice for, and provide shipping and delivery notices/confirmations for Orders); and/or
- Provide support in relation to the above Order related functions.

	A	B	C	D	F
Past policy	User	-	User	User	Order
New policy for ECC	User	-	User	Order	Order
New policy for S/4*	User	-	Order	Order	Order

*Applies only for customers on the new S4 model

Common scenario 2: Procure-to-Pay (P2P)



	A	B	C	D
Past policy	User	-	User	User
New policy for ECC	User	-	User	Order
New policy for S/4*	User	-	Order	Order

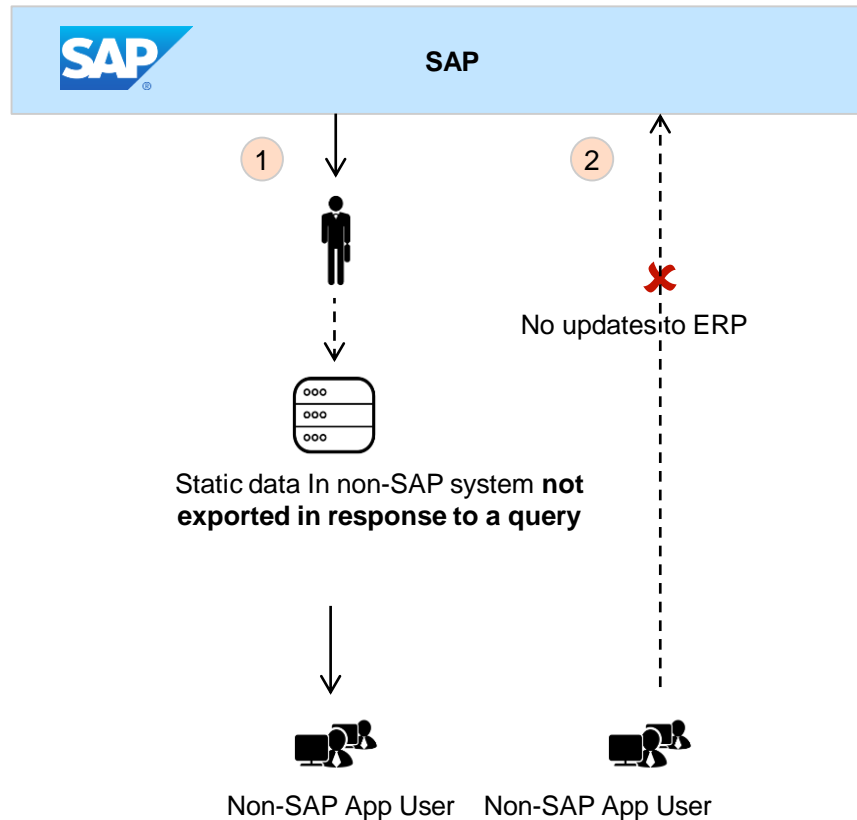
Orders in P2P context means the number of Purchase orders processed annually

Procure-to-Pay process in this context is limited to the following functions:

- Create and change purchase orders, purchase requisitions, purchasing contracts, scheduling agreements in the licensee's system for purchases of products/services;
- Look-up and view related information like: supplier information, ordered material, ordered quantities, delivery schedule delivered quantities, net price, conditions, ... for purchase orders, purchase requisitions, purchasing contracts, scheduling agreements for products/services of Licensee and/or Licensee Affiliate
- Process purchase orders, purchase requisitions, purchasing contracts, scheduling agreements (issue Purchase Orders to business partners, manage revisions, process shipping/delivery notices as well as notices confirming product receipt/service delivery, and process invoices for Purchase Orders); and/or
- Provide support in relation to the above purchase order, purchase requisition, purchasing contract, scheduling agreement related functions

*Applies only for customers on the new S4 model

Common scenario 3: “Static read”



- Static Read access is now included with underlying SW license
- Applicable in the context of data exported out of ERP or any other non-Analytics package from SAP
- Use rights are provided if both of the following conditions are satisfied:
 - 1 Data is NOT exported in response to a query
 - 2 Use of such exported data does NOT result in any updates to and/or trigger any processing capabilities of ERP or any licensed packages

Execution with empathy: how will we address different customer situations?



Fully licensed for indirect Use

- No action required



Partially licensed for indirect Use

- New transparent, predictable, and consistent licensing approach available for most common scenarios
- SAP will waive back-maintenance for SAP SW
- SAP will take existing investments and new licensing approach into account to determine fair path forward



Not licensed for indirect Use

- New transparent, predictable, and consistent licensing approach available for most common scenarios
- SAP will waive back-maintenance for SAP SW

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