

<b>Model N</b>	<b>Policy</b>	<b>POL-MN-0026</b>
	<b>Product End of Sales, and Life Policies for Model N software applications</b>	<b>Page 1 of 7</b>

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This Policy outlines Model N’s approach to supporting and maintaining the various versions of our software once they have been made generally available to our customers.

As versions of each product grow older, the maintenance and support overhead increases. At some point, the support costs surpass the revenue we receive from our customers for supporting these products. In addition to rising support costs, we have a significantly increased R&D costs in maintaining multiple versions, fixing defects, and develop backward compatibility. The older versions would also require a security/regulatory upgrades, and performance issue mitigation from time to time. This level of focus on maintaining older versions has diverted our attention, resources from building new products to fixing older versions as a priority.

Model N is committed to providing a robust product and high-quality services to its customers. At the same time, it aims to keep business interests both from top line growth and bottom line preservation.

This policy provides guiding principles and responsibilities necessary to safeguard the Model N’s R&D investments and reduce the cost of maintaining older versions. Supporting policies, guidelines, and work instructions provide further details.

## 1 Purpose

The primary purpose of this policy is to:

1. Provide a formal set of Product ‘End of Sales’ and ‘End of Life’ policies & guidelines at Model N.
2. Provide guidelines and procedures to retire our old releases or versions, 3rd party vendor software and hosting infrastructure.
3. Educate applicable Model N personnel on all policies and procedures in the countries where Model N performs business.
4. Reducing the significant cost associated with maintaining older/outdated versions.
5. Increase top-line growth, by increasing opportunities for upselling and cross-sell of latest products.
6. Increase customer satisfaction by delivering on customer commitments and resolve issues within the boundaries of EOL/EOS policy.
7. Provide visibility to our employees and customers on product lifecycle & feature deprecation.
8. Train applicable Model N personnel on the process to retire both the Model N’s products and the 3<sup>rd</sup> party software versions in our technology stack.

## 2 Scope

This policy is applicable to all REC and Flex versions for on premise and private hosted implementations, and does not include RMaaS and other cloud based products. The scope of this policy includes 3<sup>rd</sup> party software in our technology stacks.

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### 3 Definitions

EOL Event	Definition / Description
Product GA	Product Generally Available – Public announcement.
End of Sales Notification	Notification to Model N internal teams and external customers on ‘End of Sale’ of a specific version or a release.
End of Sales	End of Sales of a specific product/version of the product which will be removed from the price books.
End of Standard Support Notification	Notification to Model N internal teams and external customers on ‘End of Standard Support’ of a specific version or a release.
End of ‘Standard Support’	End of ‘Standard Support’ of a product version/release 24 months after GA of that product/release. Eligible for ‘Extended Support contract’. In cases where terms for the end of “Standard Support” are specified in the customer contract the customer specific contract terms take precedent over the general policy.
End of ‘Extended Support’ Notification	Notification to Model N internal teams and external customers on ‘End of ‘Extended support’ of a specific version or a release
End of ‘Extended Support’	End of ‘Extended Support’ of a product version/release after 36 months of product GA (Standard Support + 12 months). Eligible for MSS contract.
Maintenance & Support also known as “Product Support” or “Technical Support”	Provides customer support as part of the software subscription for “out-of-the-box” configurations and use of the standard product. Answers questions, triages incidents and defects and often is the primary contact point with customers with systems in production.
Managed Services & Support (MSS)	MSS is an optional and additional level of customer support provided to our customers with a focus on maintaining product systems. MSS is a vehicle to provide support beyond 36 months post-GA
End of Life Notification	Notification to Model N internal teams as well as to external customers on the ‘End of Life of a specific version or a release.
End of Life (EOL)	Product “End of Life (EOL)” refers to the process of discontinuing a product or version of a product. At the end of sales date, the product SKU will be removed from the current price lists so that there is no new Marketing or Quoting or Selling allowed on the specific SKU

### 4 End of Life Policies and Responsibilities

- Generally Available:** Product GA public announcement must be sent out on our release date (Day 1). GA Date will be the basis for our subsequent product EOL and EOS events and milestones. Marketing communication has to reach both our existing customers as well our prospects. Product Support is described in the SaaS agreement.

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**Responsibility:** Product Marketing team is responsible for making sure this message reaches to our customers, partners and Model N employees on day 1 (D1) of the product release

2. **End of Sales Notification:** can be communicated at end of 18 months from GA. Communication must be sent to internal Model N employees.

**Responsibility:** Product marketing to publish the information our Model N external website. And notify customers through Sales and support teams as needed.

3. **End of Sale:** Occurs at 18 months of GA. At this date, this specific product SKU is taken out of our price books, and product no longer actively marketed, quoted or sold.

**Responsibility:**

- a) Product operations or Marketing team ensure the SKU is deactivated in our quoting/CRM systems
- b) Finance will block the sale of products that have reached the end of sale.

4. **Standard Support Notification:** At end of 18 months from GA. Information disseminated through company website and account teams

**Responsibility:** Product marketing to publish the information our Model N external website. And notify customers through Sales and support teams as needed.

5. **End of Standard Support:** Occurs at 24 months after GA. At this date, standard support for a specific version of an on-premise or cloud hosted product ends and customers are automatically enrolled in extended support (assuming that the customer has agreed to purchase Extended Support). Extended Support includes additional 12 months of support from the end of Standard Support. The scope of services covered by Extended Support is the same as Standard Support (at a higher cost to the customer).

**Responsibility:** Product marketing will provide content or material to Sales and Support teams to ensure they have materials and details to share with their customers and answer any questions. And updating information our company's external website.

6. **Extended Support Notification:** can be communicated at end of 30<sup>th</sup> month from GA. Communication must be sent to relevant Model N employees, partners and customers.

**Responsibility:** Product marketing to publish the information our Model N external website. And notify customers through Sales and support teams as needed.

7. **End of Extended Support:** Occurs at 36 months after GA. Product transitions to End of Life.

**Responsibility:** Product marketing team is responsible sending out the communication and Sales/Support teams will make sure to connect with customers to answer any questions.

8. **Security Upgrades:** Model N will provide securities upgrades for a specific product or version up to 36 months from GA date

**Responsibility:** Product marketing to publish the information our Model N external website. And notify customers through Sales and support teams as needed.

9. **Regulatory Upgrades:** Model N will provide Regulatory Upgrade Packs (RUP) for a specific product or version up to 36 months from GA date.

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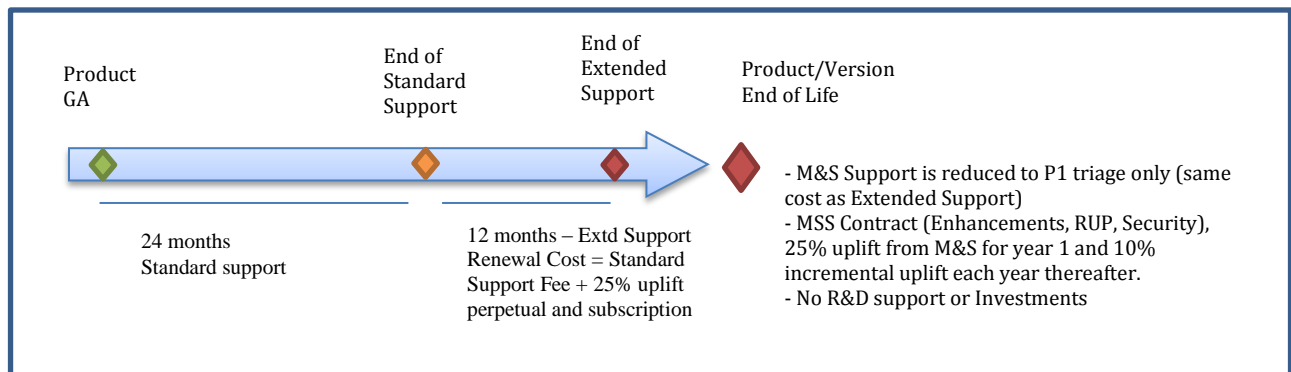
**Responsibility:** Product marketing to publish the information our Model N external website. And notify customers through Sales and support teams as needed.

- 10. Product End of Life:** Occurs at 36 months after GA. At this point this specific version of the product is:
- a. No new Sales of this SKU are permitted. Remove product version from our price books. Quoting, Contract and Ordering systems and procedures are updated to not to sell this EOL'ed product.
  - b. "In process" sales shall be re-evaluated to update the version of the product for sale.
  - c. Marketing this EOL product (and product version) stops.
  - d. No renewals of a Standard Support contract.
  - e. No renewals of an Extended Support contract
  - f. No R&D Investment or R&D support is provided.
  - g. Priority 1 issues only (i.e. system down) support by way of answering questions and assisting in problem diagnostics will require a MSS contract.
  - h. Regulatory Updates (RUPs) are no longer provided except as enhancements explicitly contracted with MSS.
  - i. Security fixes are no longer provided except as enhancements explicitly contracted MSS.
  - j. Enhancements and defect fixes may be obtained by explicitly contracted MSS.

**MSS:** Provides optional support for all versions of the product and is the only vehicle to provide support for EOL products. Based on its discretion, Model N may terminate MSS at any time with 12 months' notice.

**Responsibility:** Model N Customer Support (M&S or MSS) organization will work with customers to negotiate the appropriate MSS contract. As there is involvement or support from R&D team, MSS needs to factor in appropriate costs, terms and conditions in their contract.

## 5 Illustration



Below is an **example** of a customer paying a base annual **M&S fees**:

- \$200K = year 1 and 2 + base M&S fee (including CPI increase, etc)
- \$250K = year 3 + Extended Support + additional 25% premium of base
- \$250K = year 4 + P1 triage support only (no code changes) + keep Extended Support premium in place
- \$300K = year 4 + includes optional MSS for P1 defect fixes and RUPs + additional 25% premium of base
- \$320K = year 5 + continuation of MSS + additional 10% of base
- \$340K = year 6 + continuation of MSS + additional 10% of base

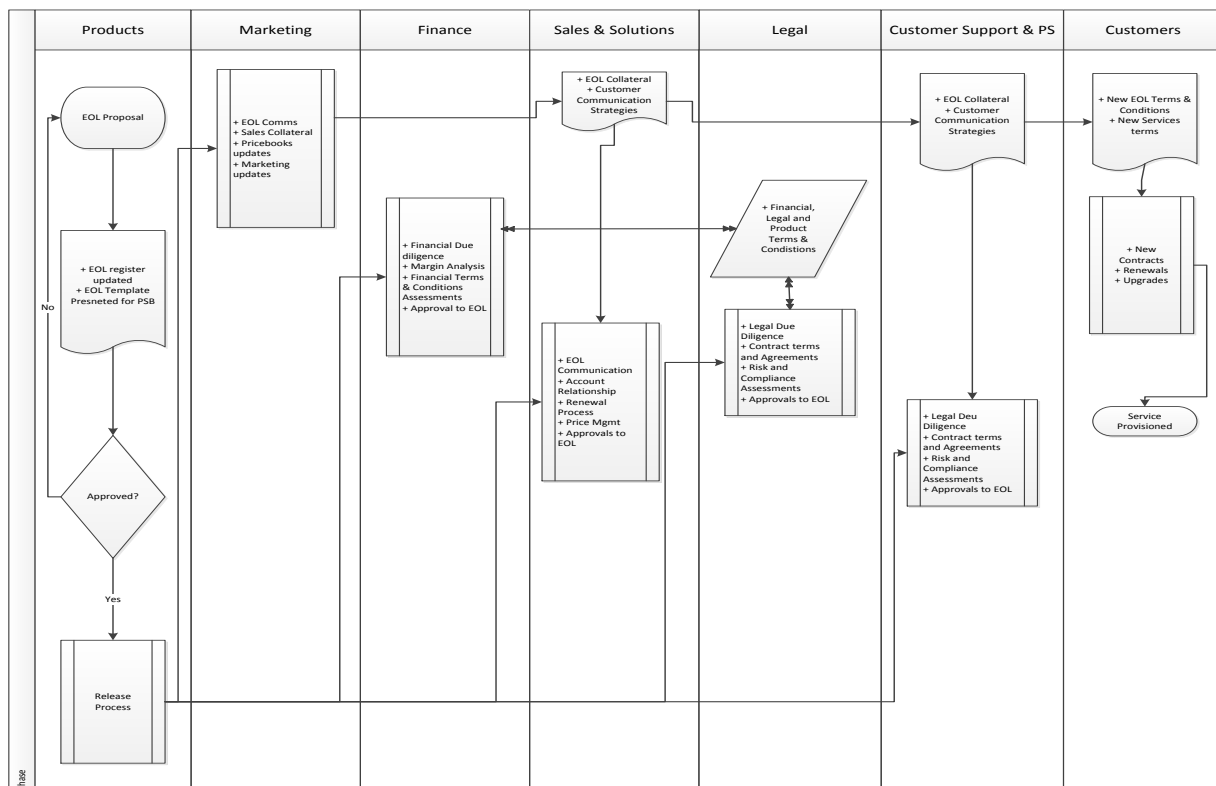
## 6 Procedures

### 6.1 Implementation Guidelines

The following guidelines must be followed to incorporate product End of Life policies across all products and services of the Model N:

1. All new sales Quotes, Contracts, and Orders must include the EOL/EOS policy terms, conditions in the terms and conditions sections. These policies are contract level terms and applicable for all products and services that Model N provides to its customers.
2. Customer must be educated and their consent on the new product EOL/EOS terms and conditions must be obtained as part of the quotation, contract, ordering processes.
3. For all active contracts, renewal events must utilize to introduce EOL/EOS policies into the renewal contract and manage customer expectations
4. Multi-year contracts will address only at the time contract renewal event
5. For 'early renewals', the new contract must include the EOL/EOS terms and conditions

### 6.2 Process Flow



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### 6.3 Exception Handling

The following procedure defines the process for review and approval of Exceptions to this SOP and related EOL/EOS Policies and Work Instructions:

1. A manager (or their designee) seeking an exception EOL /EOS policies must assess the risks that non-compliance causes Model N, Customers, Partners or Employees of Model N and business processes. If the manager believes the risk is reasonable and is necessary for the deal, then the manager request describing the risk analysis and risk mitigation plan to Legal, Finance, Products, and Global Customer Success which will approve or deny the request for an exception.
2. The requesting manager will be notified of the decision and rationale to approve or deny the exception request.
3. Exceptions are valid for a period of the sales contract.

### 7 Revision History

VERSION NO.	SUMMARY OF MAJOR CHANGES	SUPERCEDES DATES
1.0	Summary of several informal policies and procedures	None

### Appendices

None

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