

# COMPENSATION REPORT



# COMPENSATION REPORT<sup>1)</sup>

## COMPENSATION OF EXECUTIVE AND SUPERVISORY BOARD

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This compensation report outlines the criteria that we apply to determine compensation for Executive Board and Supervisory Board members, discloses the amount of compensation paid, and describes the compensation systems. It also contains information about Executive Board members' share-based compensation plans, shares held by Executive Board and Supervisory Board members, and the directors' dealings required to be disclosed in accordance with the German Securities Trading Act.

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### COMPENSATION FOR EXECUTIVE BOARD MEMBERS

#### Compensation system

Until and including 2008, the Executive Board members' compensation system has been set by the Compensation Committee, a committee of the Supervisory Board chaired by Hasso Plattner (chairperson of the Supervisory Board). Its other members are Panagiotis Bissiritsas, Wilhelm Haarmann, Gerhard Maier, and Joachim Milberg. In the future, the full Supervisory Board will assume this responsibility, in accordance with the amended German Corporate Governance Code.

Executive Board members' compensation is intended to reflect the Group's size and global presence as well as our economic and financial standing. The level is internationally competitive to reward committed, successful work in a dynamic environment.

The compensation of the Executive Board as a body is performance-based. It has three elements: a fixed element (salary), a performance-related element (directors' profit-sharing), and a long-term incentive element (share-based compensation).

A compensation target is set for the total of fixed and performance-related elements. We review the compensation target every year in the light of our business and directors' compensation at comparable companies on the international stage. Every year, the Compensation Committee sets the target performance-related compensation, reflecting the relevant values in SAP's budget for that year. The number of virtual stock options issued in 2008 to each individual member of the Executive Board by way of share-based compensation was decided by the Compensation Committee at its meeting on March 3, 2008, and reflected the fair value of the options.

The following criteria apply to the elements of Executive Board compensation for 2008:

- The fixed element is paid as a monthly salary.
- The amount of performance-related compensation to be paid out in respect of 2008 depends on the SAP Group's achievement of its targets for (non-GAAP) operating income, software and software-related service revenue growth at constant currencies, and the (non-GAAP) operating margin.

<sup>1)</sup> This compensation report is part of the audited Review of SAP Group Operations and of the Corporate Governance Report.

- On February 11, 2009, the Supervisory Board's Compensation Committee assessed SAP's performance against the agreed targets and determined how much performance-related compensation was payable. The payment will be made after the Annual General Meeting of Shareholders in May 2009.
- The regular form of share-based compensation is the issue of virtual stock options under the terms of the 2007 stock option plan (SAP SOP 2007). The terms and details of SAP SOP 2007 are reported in Note 27 in the Notes to the Consolidated Financial Statements section.

### Amount of Compensation

Executive Board members' compensation was as follows in 2008:

€(000)	Fixed Elements		Performance-Related Element	Long-Term Incentive Elements	Total
	Salary	Other <sup>1)</sup>	Directors' Profit-Sharing	Share-Based Compensation (SAP SOP 2007) <sup>2)</sup>	
Prof. Dr. Henning Kagermann (Co-CEO)	750.0	15.7	2,606.1	948.4	4,320.2
Léo Apotheker (Co-CEO)	687.5	334.5	2,388.9	632.3	4,043.2
Dr. Werner Brandt	455.0	23.5	1,581.0	577.3	2,636.8
Erwin Gunst <sup>3)</sup>	227.5	18.1	790.5	-	1,036.1
Prof. Dr. Claus E. Heinrich	455.0	19.8	1,581.0	577.3	2,633.1
Bill McDermott <sup>3)</sup>	395.2	142.4	631.3	-	1,168.9
Gerhard Oswald	455.0	627.9	1,581.0	577.3	3,241.2
John Schwarz <sup>4)</sup>	424.9	14.3	1,295.2	577.3	2,311.7
Jim Hagemann Snabe <sup>3)</sup>	227.5	22.3	790.5	-	1,040.3
Dr. Peter Zencke	455.0	143.5	1,581.0	577.3	2,756.8
<b>Total</b>	<b>4,532.6</b>	<b>1,362.0</b>	<b>14,826.5</b>	<b>4,467.2</b>	<b>25,188.3</b>

1) Insurance contributions, benefits in kind, expenses for maintenance of two households due to work abroad, compensation from seats on other governing bodies in the SAP Group, leave compensation, reimbursement of legal fees.

2) Fair value at the time of allocation.

3) Member of the Executive Board since July 1, 2008. (The table shows compensation since that date.)

4) Member of the Executive Board since March 1, 2008. (The table shows compensation since that date.)

The total compensation of all Executive Board members in fiscal year 2008 for work for SAP excluding compensation relating to the office of Executive Board member was €8,741,300. This was primarily compensation earned as SAP employees before they took their Executive Board seats after the beginning of the year. It includes, among other elements, share-based compensation under SAP SOP 2007.

The values for regular share-based compensation in the table above result from the following allocations of SAP SOP 2007 virtual stock options granted in 2008.

The following table shows total Executive Board compensation in 2007, including SAP SOP 2007 stock options granted.

€(000)	Fixed Elements		Performance-Related Element	Long-Term Incentive Elements	Total
	Salary	Other <sup>1)</sup>	Directors' Profit-Sharing	Share-Based Compensation (SAP SOP 2007) <sup>2)</sup>	
Prof. Dr. Henning Kagermann (Co-CEO)	728.5	16.0	4,219.7	949.1	5,913.3
Shai Agassi (member until March 31, 2007) <sup>4)</sup>	161.3	3.1	446.8 <sup>3)</sup>	-	611.2
Léo Apotheker (Co-CEO)	485.6	59.0	2,813.1	632.7	3,990.4
Dr. Werner Brandt	443.4	41.3	2,568.5	577.7	3,630.9
Prof. Dr. Claus E. Heinrich	443.4	20.2	2,568.5	577.7	3,609.8
Gerhard Oswald	443.4	14.8	2,568.5	577.7	3,604.4
Dr. Peter Zencke	443.4	28.0	2,568.5	577.7	3,617.6
<b>Total</b>	<b>3,149.0</b>	<b>182.4</b>	<b>17,753.6</b>	<b>3,892.6</b>	<b>24,977.6</b>

1) Insurance contributions, benefits in kind, expenses for maintenance of two households due to work abroad, compensation from seats on other governing bodies in the SAP Group.

2) Fair value at the time of allocation.

3) The portion of the directors' profit-sharing for January through March 2007 was calculated on the basis of the actual directors' profit-sharing paid in 2006.

4) Shai Agassi left the Executive Board on March 31, 2007. His employment contract with SAP ended on April 30, 2007.

## Share-Based Compensation Under SAP SOP 2007

	2008 Allocations				
	Quantity	Fair Value per Right at Time of Grant	Total Fair Value of Long-Term Incentive Elements at Time of Grant	Fair Value per Right on December 31, 2008	Total Value on December 31, 2008
		€	€(000)	€	€(000)
Prof. Dr. Henning Kagermann (Co-CEO)	133,396	7.11	948.4	4.67	623.0
Léo Apotheker (Co-CEO)	88,933	7.11	632.3	4.67	415.3
Dr. Werner Brandt	81,200	7.11	577.3	4.67	379.2
Erwin Gunst <sup>1)</sup>	-	-	-	-	-
Prof. Dr. Claus E. Heinrich	81,200	7.11	577.3	4.67	379.2
Bill McDermott <sup>1)</sup>	-	-	-	-	-
Gerhard Oswald	81,200	7.11	577.3	4.67	379.2
John Schwarz <sup>2)</sup>	81,200	7.11	577.3	4.67	379.2
Jim Hagemann Snabe <sup>1)</sup>	-	-	-	-	-
Dr. Peter Zencke	81,200	7.11	577.3	4.67	379.2
<b>Total</b>	<b>628,329</b>		<b>4,467.2</b>		<b>2,934.3</b>

1) Member of the Executive Board since July 1, 2008. (No allocations were made after that date.)

2) Member of the Executive Board since March 1, 2008. (The table shows allocations since that date.)

2007 Allocations					
	Quantity	Fair Value per Right at Time of Grant	Total Fair Value of Long-Term Incentive Elements at Time of Grant	Fair Value per Right on December 31, 2007	Total Value on December 31, 2007
		€	€(000)	€	€(000)
Prof. Dr. Henning Kagermann (Co-CEO)	118,637	8.00	949.1	8.53	1,012.0
Léo Apotheker (Co-CEO)	79,093	8.00	632.7	8.53	674.7
Dr. Werner Brandt	72,216	8.00	577.7	8.53	616.0
Prof. Dr. Claus E. Heinrich	72,216	8.00	577.7	8.53	616.0
Gerhard Oswald	72,216	8.00	577.7	8.53	616.0
Dr. Peter Zencke	72,216	8.00	577.7	8.53	616.0
<b>Total</b>	<b>486,594</b>		<b>3,892.6</b>		<b>4,150.7</b>

## END-OF-SERVICE UNDERTAKINGS

### Retirement Pension Plan

Members of the Executive Board receive a retirement pension when they reach the retirement age of 60 and vacate their Executive Board seat or a disability pension if, before reaching the regular retirement age, they become subject to occupational disability or permanent incapacity. A surviving dependent's pension is paid on the death of a former member of the Executive Board. The disability pension is 100% of the vested retirement pension entitlement and is payable until but not after the beneficiary's 60th birthday. The surviving dependent's pension is 60% of the retirement pension or vested disability pension entitlement at death. Entitlements are enforceable against SAP AG.

The benefit payable has been agreed with the active Executive Board members. If service is ended prematurely, pension entitlement is reduced in proportion as the actual length of service stands in relation to the maximum possible length of service.

On January 1, 2000, SAP AG introduced a contributory retirement pension plan. At that time, the performance-based retirement plan was discontinued for Executive Board members. Entitlements accrued up to December 31, 1999, were unaffected. The benefits are derived from any accrued entitlements on December 31, 1999, under performance-based pension agreements and a salary-linked contribution for the period commencing January 1, 2000. The contribution is 4 % of applicable compensation up to the applicable income threshold plus 14 % of applicable compensation above the applicable income threshold. For this purpose, applicable compensation is 90 % of target annual salary. The applicable income threshold is the statutory annual income threshold for the state pension plan in Germany (West), as amended from time to time.

An exceptional agreement applies to Executive Board member Léo Apotheker. Léo Apotheker's agreement provides only for a retirement pension, and the pension contribution reflects his participation in the French social security system. Henning Kagermann's rights to retirement pension benefits will be increased by further annual contributions because he has remained a member of the Executive Board after his 60th birthday.

Executive Board member Bill McDermott has rights to future benefits under the pension plan of SAP America, Inc. The pension plan of SAP America, Inc. is a cash balance plan that provides on retirement either monthly pension payments or a lump sum. The pension becomes available from the beneficiary's 65th birthday. Subject to certain conditions, the plan also provides earlier payment or invalidity benefits.

In addition, for the following members of the Executive Board SAP paid pension contributions to third parties in 2008 (in accordance with IAS 19):

€(000)	In Fiscal Year 2008
Bill McDermott	474.5
Jim Hagemann Snaabe	92.1

SAP made no retirement pension plan contributions in respect of Executive Board member John Schwarz in 2008.

The following table shows the change in total projected benefit obligation (PBO) and in the total accruals for pension obligations to Executive Board members:

€(000)	Prof. Dr. Henning Kagermann (Co-CEO)	Léo Apotheker (Co-CEO)	Shai Agassi	Dr. Werner Brandt	Erwin Gunst <sup>1)</sup>	Prof. Dr. Claus E. Heinrich	Bill McDermott	Gerhard Oswald	Dr. Peter Zencke	Total
PBO January 1, 2007	5,334.7	445.4	356.8	593.3	-	3,015.3	-	3,284.3	3,875.9	16,905.7
Less plan assets market value January 1, 2007	4,582.5	603.4	246.4	408.2	-	1,763.4	-	2,015.1	2,947.0	12,566.0
<b>Accrued January 1, 2007</b>	<b>752.2</b>	<b>-158.0</b>	<b>110.4</b>	<b>185.1</b>	<b>-</b>	<b>1,251.9</b>	<b>-</b>	<b>1,269.2</b>	<b>928.9</b>	<b>4,339.7</b>
PBO change in 2007	530.5	-22.9	-320.9	20.4	-	-284.4	-	-269.5	-228.4	-575.2
Plan assets change in 2007	645.5	27.0	-199.0	102.5	-	265.3	-	301.3	407.9	1,550.5
PBO December 31, 2007	5,865.2	422.5	35.9	613.7	280.3	2,730.9	588.4	3,014.8	3,647.5	17,199.2
Less plan assets market value December 31, 2007	5,228.0	630.4	47.4	510.7	272.9	2,028.7	45.0	2,316.4	3,354.9	14,434.4
<b>Accrued December 31, 2007</b>	<b>637.2</b>	<b>-207.9</b>	<b>-11.5</b>	<b>103.0</b>	<b>7.4</b>	<b>702.2</b>	<b>543.4</b>	<b>698.4</b>	<b>292.6</b>	<b>2,764.8</b>
PBO change in 2008	-277.2	17.3	-	88.1	108.9	81.0	366.6	84.3	-36.8	432.2
Plan assets change in 2008	277.2	28.4	-	113.3	-224.8	282.6	-11.7	320.2	431.8	1,217.0
PBO December 31, 2008	5,588.0	439.8	-	701.8	389.2	2,811.9	955.0	3,099.1	3,610.7	17,595.5
Less plan assets market value December 31, 2008	5,505.2	658.8	-	624.0	48.1	2,311.3	33.3	2,636.6	3,786.7	15,604.0
<b>Accrued December 31, 2008</b>	<b>82.8</b>	<b>-219.0</b>	<b>-</b>	<b>77.8</b>	<b>341.1</b>	<b>500.6</b>	<b>921.7</b>	<b>462.5</b>	<b>-176.0</b>	<b>1,991.5</b>

1) When Erwin Gunst joined the Executive Board and his employment with SAP's Switzerland affiliate ended, his vested plan funds were transferred to a vested benefits account.

The following table shows the annual pension entitlement of each member of the Executive Board on reaching age 60 based on entitlements from performance-based and salary-linked plans vested on December 31, 2008:

€(000)	Vested on December 31, 2008	Vested on December 31, 2007	Vested on December 31, 2006
Prof. Dr. Henning Kagermann (Co-CEO)	334.9 <sup>1)</sup>	322.7 <sup>1)</sup>	289.8
Léo Apotheker (Co-CEO)	45.5	45.5	45.5
Dr. Werner Brandt	48.0	41.0	34.4
Erwin Gunst	32.8	-	-
Prof. Dr. Claus E. Heinrich	186.1	175.2	165.5
Bill McDermott	121.8	-	-
Gerhard Oswald	201.2	192.8	184.6
Dr. Peter Zencke	226.5	216.9	207.2

<sup>1)</sup> Due to the extension of Henning Kagermann's contract beyond his 60th birthday, this value represents the retirement pension entitlement that he would receive after his current Executive Board contract expires on May 31, 2009, based on the entitlements vested on December 31, 2008.

These are vested entitlements. To the extent that members continue to serve on the Executive Board and that therefore more contributions are made for them in the future, pension actually payable at age 60 will be more than shown in the table.

In 2008, pension benefits of €763,000 were paid to former Executive Board members (2007: € 743,000). On December 31, 2008, the PBO for former Executive Board members was € 11,367,000 (2007: € 11,587,000). Plan assets of € 12,646,000 are available to service these obligations (2007: € 11,811,000).

### Postcontractual Noncompete Provisions

During the agreed 12-month postcontractual noncompete period, Executive Board members receive abstention payments corresponding to 50% of their final average contractual compensation as members. SAP deducts the abstention compensation from any amount it owes the member under the pension plan.

### End of Term in Office and of Employment Contract

Peter Zencke's term of office on the Executive Board expired on December 31, 2008, as did the notice period in his contract of employment. In accordance with his contract, since retirement he has been receiving abstention payments for a 12-month postcontractual noncompete period corresponding to 50 % of his final average contractual compensation as a member.

### Early Termination

The standard contract for all Executive Board members since January 1, 2006, provides that on termination before full term, SAP AG will pay to the member the outstanding part of the compensation target for the entire remainder of the term, appropriately discounted for early payment. A member has no claim to that payment if he or she leaves SAP for reasons for which he or she is responsible.

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If an Executive Board member's post on the Executive Board expires or ceases to exist because of, or as a consequence of, change or restructuring or due to a change of control, SAP AG and each Executive Board member has the right to terminate the employment contract within eight weeks of the occurrence by giving six months' notice. A change of control is deemed to occur when a third party is required to make a mandatory takeover offer to the shareholders of SAP AG under the German Securities Acquisition and Takeover Act, when SAP AG merges with another company and becomes the subsumed entity, or when a control or profit transfer agreement is concluded with SAP AG as the dependent company. An Executive Board member's contract can also be terminated before full term if his or her appointment as an SAP AG Executive Board member is revoked in connection with a change of control.

We have agreed payments of € 4,120,600 for Claus Heinrich in relation to the ending of his contract with SAP on May 31, 2009, in accordance with the above agreements on payments made for early termination. He will receive € 658,800 in respect of the portion of directors' profit-sharing bonus to which he is entitled for 2009. We have set aside the postcontractual noncompete provisions in his contract.

#### **Long-Term Incentives for the Executive Board**

Members of the Executive Board hold virtual stock options under SAP SOP 2007, stock appreciation rights under the Incentive Plan 2010, stock options under SAP SOP 2002, and stock options and convertible bonds under the Long Term Incentive (LTI) Plan 2000 that were granted to them in previous years. The terms and details of these plans are reported in Note 27 in the [Notes to the Consolidated Financial Statements](#) section.

#### **SAP SOP 2007**

The table below shows Executive Board members' holdings, on December 31, 2008, of virtual stock options issued to them under the SAP SOP 2007 plan since its inception, including virtual stock options issued to them both during and before their respective membership of the Executive Board.

The strike price for an option is 110 % of the base price. The base price is the average closing price of one SAP share in the Frankfurt stock exchange Xetra trading system over the 20 consecutive business days immediately starting the day after the announcement of the Company's preliminary annual results. The premium of 10 %, which is payable in addition to the base price, serves the purpose of rendering the exercise of the option economically reasonable only after the stock exchange price of the SAP share has risen by at least 10 % as compared with the price used to determine the base price. The issued options have a term of five years and can only be exercised on specified dates after the two-year vesting period. Therefore, none of the options held could be exercised on December 31, 2008.

## SAP SOP 2007 Stock Options

	Year Granted	Holding on December 31, 2008	Fair Value per Unit at Time of Grant	Fair Value per Unit on December 31, 2008	Accrual on December 31, 2008
		Quantity of Options	€	€	€(000)
Prof. Dr. Henning Kagermann (Co-CEO)	2007	118,637	8.00	3.50	363.3
	2008	133,396	7.11	4.67	259.6
Léo Apotheker (Co-CEO)	2007	79,093	8.00	3.50	242.2
	2008	88,933	7.11	4.67	173.0
Dr. Werner Brandt	2007	72,216	8.00	3.50	221.2
	2008	81,200	7.11	4.67	158.0
Erwin Gunst <sup>1)</sup>	2007	56,258	8.00	3.50	172.3
	2008	70,284	7.11	4.67	136.8
Prof. Dr. Claus E. Heinrich	2007	72,216	8.00	3.50	221.2
	2008	81,200	7.11	4.67	158.0
Bill McDermott <sup>1)</sup>	2007	62,508	8.00	3.50	191.4
	2008	70,284	7.11	4.67	136.8
Gerhard Oswald	2007	72,216	8.00	3.50	221.2
	2008	81,200	7.11	4.67	158.0
John Schwarz <sup>2)</sup>	2007	-	-	-	-
	2008	81,200	7.11	4.67	158.0
Jim Hagemann Snabe <sup>1)</sup>	2007	37,505	8.00	3.50	114.9
	2008	56,228	7.11	4.67	109.4
Dr. Peter Zencke	2007	72,216	8.00	3.50	221.2
	2008	81,200	7.11	4.67	158.0
<b>Total</b>		<b>1,467,990</b>			<b>3,574.5</b>

1) Member since July 1, 2008; the holding was allocated before appointment to the Executive Board  
2) Member since March 1, 2008

## Incentive Plan 2010

The additional nonrecurring share-based compensation awarded in 2006 comprises STARs for the Incentive Plan 2010 share-based compensation plan. The plan is a nonrecurring incentive with a term of up to five years, intended to give more encouragement than previously for innovation and to ensure the Executive Board actions remain focused on a long-term goal. The Incentive Plan 2010 is a share-based compensation plan intended to reward a substantial increase in our market capitalization. The Executive Board will qualify for payout under the plan only if, not later than the end of 2010, SAP's average market capitalization during the last six months of a year is not less than 50 % greater than its average value between July 1 and December 31, 2005, (base value: € 44,794,067,259) and SAP stock outperforms the S&P North Software-Software Index™ (which is the successor of the GSTI Software index) over the same period. Payouts are scaled as follows:

- If market capitalization does not increase by 50 % or more, the Executive Board will not receive a payout.
- If market capitalization increases by more than 50 % but less than 100 %, target achievement will be measured progressively.
- If SAP's market capitalization increases not less than twofold during the said period, the Executive Board will receive a payout of € 100 million.

The STARs awarded to Executive Board members under this plan expire on December 31, 2010. If the target 100 % increase in market capitalization is reached at an earlier date, while at the same time the stock is outperforming the S&P North Software-Software Index, the plan ends at that earlier date. All payouts under the plan are cash; no new SAP shares will be issued. A beneficiary cannot exercise a STAR if he or she would take a windfall profit; that is, a substantial extraordinary unforeseen profit arising out of circumstances not intended by the Executive Board. All decisions in this regard or concerning appropriate reduction of plan payouts are at the sole discretion of the Compensation Committee of the Supervisory Board. The terms and details of this plan are reported in Note 27 in the Notes to the Consolidated Financial Statements section.

### Nonrecurring Share-Based Compensation: Incentive Plan 2010

	Original Quantity Granted	Fair Value per Unit at Time of Grant	Fair Value per Unit on December 31, 2008	Accrual on December 31, 2008
	Number of Rights	€	€	€(000)
Prof. Dr. Henning Kagermann (Co-CEO)	188,182	24.87	3.09	340.2
Léo Apotheker (Co-CEO)	125,455	24.87	3.09	226.8
Dr. Werner Brandt	62,727	24.87	3.09	113.4
Erwin Gunst <sup>1)</sup>	28,815	14.02	3.09	52.1
Prof. Dr. Claus E. Heinrich	62,727	24.87	3.09	113.4
Bill McDermott <sup>1)</sup>	45,345	14.02	3.09	82.0
Gerhard Oswald	62,727	24.87	3.09	113.4
Jim Hagemann Snaube <sup>1)</sup>	17,290	14.02	3.09	31.3
Dr. Peter Zencke	62,727	24.87	3.09	113.4
<b>Total</b>	<b>655,995</b>			<b>1,186.0</b>

1) Member since July 1, 2008; the rights were allocated before appointment to the Executive Board

### SAP SOP 2002

The table below shows Executive Board members' December 31, 2008, holdings of stock options issued in previous years under the SAP SOP 2002 plan since its inception.

The strike prices for SAP SOP 2002 stock options are 110 % of the base price of an SAP AG common share. The base price is the arithmetic mean closing auction price for SAP stock in the Xetra trading system (or its successor system) over the five business days immediately before the issue date of that stock option. The strike price cannot be less than the closing auction price on the day before the issue date. As a result of the issuance on December 21, 2006, of bonus shares at a one-to-three ratio under a capital increase from corporate funds, on exercise each stock option now entitles its beneficiary to four shares. For better comparability with the price of SAP stock since implementation of the capital increase, the following table shows not the number (quantity) of options but the number (quantity) of shares to

which they entitle the holder. Consequently, the strike prices shown are prices per share and not per option. The number of shares shown in the table is four times the number of options, and the strike price for an option is four times the strike price per share shown in the table.

No rights expired or were forfeited in the report year.

### SAP SOP 2002 Stock Options

	Year Granted	Strike Price per Share		Holding on January 1, 2008		Rights Exercised in 2008	Price on Exercise Day		Holding on December 31, 2008	
		€	Quantity of Shares	Remaining Term in Years	Quantity of Shares		€	Quantity of Shares	Remaining Term in Years	
Prof. Dr. Henning Kagermann (Co-CEO)	2004	37.50	200,000	1.13		-	-	200,000	0.13	
	2005	33.55	267,820	2.11		-	-	267,820	1.11	
	2006	46.48	143,404	3.10		-	-	143,404	2.10	
Léo Apotheker (Co-CEO)	2004	37.50	112,000	1.13		-	-	112,000	0.13	
	2005	33.55	149,980	2.11		-	-	149,980	1.11	
	2006	46.48	95,604	3.10		-	-	95,604	2.10	
Dr. Werner Brandt	2004	37.50	112,000	1.13		-	-	112,000	0.13	
	2005	33.55	149,980	2.11		-	-	149,980	1.11	
	2006	46.48	87,292	3.10		-	-	87,292	2.10	
Erwin Gunst <sup>1)</sup>	2005	33.55	61,264	2.11		-	-	61,264	1.11	
	2006	46.48	44,596	3.10		-	-	44,596	2.10	
Prof. Dr. Claus E. Heinrich	2004	37.50	112,000	1.13		-	-	112,000	0.13	
	2005	33.55	149,980	2.11		-	-	149,980	1.11	
	2006	46.48	87,292	3.10		-	-	87,292	2.10	
Bill McDermott <sup>1)</sup>	2006	46.48	77,296	3.10		-	-	77,296	2.10	
Gerhard Oswald	2005	33.55	149,980	2.11		-	-	149,980	1.11	
	2006	46.48	87,292	3.10		-	-	87,292	2.10	
Jim Hagemann Snabe <sup>1)</sup>	2005	33.55	51,180	2.11		-	-	51,180	1.11	
	2006	46.48	37,164	3.10		-	-	37,164	2.10	
Dr. Peter Zencke	2004	37.50	112,000	1.13		-	-	112,000	0.13	
	2005	33.55	149,980	2.11		-	-	149,980	1.11	
	2006	46.48	87,292	3.10		-	-	87,292	2.10	
<b>Total</b>			<b>2,525,396</b>					<b>2,525,396</b>		

1) Member since July 1, 2008; the shares were allocated before appointment to the Executive Board

### LTI Plan 2000

Beneficiaries under the LTI Plan 2000 could choose between convertible bonds and stock options. The chief difference was in the way the exercise or conversion price was determined. The bond conversion price depends on the closing price of SAP stock the day before the bond was issued, while the option strike price varies with the performance of SAP stock over time against the S&P North Software-Software Index (the successor of the GSTI Software index).

The table below shows stock options held by members of the Executive Board on December 31, 2008, granted in earlier years under the LTI Plan 2000. The strike prices for LTI Plan 2000 stock options reflect the prices payable by an Executive Board member for one SAP common share on exercise of the option on December 31, 2008. The strike prices vary with the performance of SAP stock over time against the S&P North Software-Software Index. As a result of the issuance on December 21, 2006, of bonus shares at a one-to-three ratio under a capital increase from corporate funds, on exercise each stock option now entitles its beneficiary to four shares. For better comparability with the price of SAP stock since implementation of the capital increase, the following table shows not the number (quantity) of options but the number (quantity) of shares to which they entitle the holder. Consequently, the strike prices shown are prices per share and not per option. The number of shares shown in the table is four times the number of options, and the strike price for an option is four times the strike price per share shown in the table.

### LTI Plan 2000 Stock Options

	Year Granted	Strike Price per Share <sup>1)</sup>		Holding on January 1, 2008		Rights Exercised in 2008	Price on Exercise Day <sup>2)</sup>		Holding on December 31, 2008	
		€	Quantity of Shares	Remaining Term in Years	Quantity of Shares		€	Quantity of Shares	Remaining Term in Years	
Prof. Dr. Henning Kagermann (Co-CEO)	2000	-	112,128	2.14	-	-	112,128	1.14		
	2001	-	157,500	3.14	-	-	157,500	2.14		
Léo Apotheker (Co-CEO)	2002	-	87,500	4.14	-	-	87,500	3.14		
Dr. Peter Zencke	2000	-	27,924	2.14	-	-	27,924	1.14		
	2001	-	73,700	3.14	-	-	73,700	2.14		
<b>Total</b>			<b>458,752</b>				<b>458,752</b>			

1) No options were exercised in 2008, and the strike price is variable in accordance with the terms of the plan - being ascertained on the day an option is exercised - so there is no information to disclose here.

2) No options were exercised in 2009, so no strike price is shown.

The table below shows convertible bonds held by members of the Executive Board on December 31, 2008, granted in earlier years under the LTI Plan 2000. The strike prices for LTI Plan 2000 convertible bonds reflect the prices payable by an Executive Board member for one SAP common share on conversion of the bond. The strike prices are fixed and correspond to the quoted price of one SAP share on the business day immediately preceding the grant of the convertible bond. As a result of the issuance on December 21, 2006, of bonus shares at a one-to-three ratio under a capital increase from corporate funds, on conversion each bond now entitles its beneficiary to four shares. For better comparability with the price of SAP stock since implementation of the capital increase, the following table shows not the number (quantity) of convertible bonds but the number (quantity) of shares to which they entitle the holder. Consequently, the strike prices shown are prices per share and not per bond. The number of shares shown in the table is four times the number of bonds, and the strike price for a bond is four times the strike price per share shown in the table.

## LTI Plan 2000 Convertible Bonds

	Year Granted	Strike Price per Share	Holding on January 1, 2008		Rights Exercised in 2008	Price on Exercise Day	Holding on December 31, 2008	
			€	Quantity of Shares			Remaining Term in Years	Quantity of Shares
Prof. Dr. Henning Kagermann (Co-CEO)	2000	72.58	89,700	2.14	-	-	89,700	1.14
	2001	47.81	126,000	3.14	-	-	126,000	2.14
	2002	37.88	360,000	4.14	-	-	360,000	3.14
Léo Apotheker (Co-CEO)	2000	83.67	95,400	2.19	-	-	95,400	1.19
	2001	47.81	120,000	3.14	-	-	120,000	2.14
	2002	37.88	70,000	4.14	-	-	70,000	3.14
Dr. Werner Brandt	2001	47.81	20,000	3.14	-	-	20,000	2.14
	2002	37.88	120,000	4.14	-	-	120,000	3.14
Prof. Dr. Claus E. Heinrich	2000	72.58	65,700	2.14	-	-	65,700	1.14
	2001	47.81	88,000	3.14	-	-	88,000	2.14
	2002	37.88	200,000	4.14	-	-	200,000	3.14
Gerhard Oswald	2000	72.58	65,700	2.14	-	-	65,700	1.14
	2001	47.81	88,000	3.14	-	-	88,000	2.14
Dr. Peter Zencke	2000	72.58	65,700	2.14	-	-	65,700	1.14
	2001	47.81	88,000	3.14	-	-	88,000	2.14
	2002	37.88	200,000	4.14	-	-	200,000	3.14
<b>Total</b>			<b>1,862,200</b>				<b>1,862,200</b>	

## Total Expense for Share-Based Compensation

In the report year and the prior year, total expense for the share-based compensation plans of Executive Board members was recorded as follows:

€(000)	2008	2007
Prof. Dr. Henning Kagermann (Co-CEO)	55.9	1,047.5
Léo Apotheker (Co-CEO)	37.3	690.3
Dr. Werner Brandt	98.9	601.4
Erwin Gunst <sup>1)</sup>	108.0	-
Prof. Dr. Claus E. Heinrich	98.9	518.7
Bill McDermott <sup>1)</sup>	97.4	-
Gerhard Oswald	98.9	601.4
John Schwarz <sup>2)</sup>	158.1	-
Jim Hagemann Snabe <sup>1)</sup>	95.2	-
Dr. Peter Zencke	98.9	601.4
<b>Total</b>	<b>947.5</b>	<b>4,060.7</b>

1) Member of the Executive Board since July 1, 2008.

2) Member of the Executive Board since March 1, 2008.

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### Stock Held by Executive Board Members

No member of the Executive Board holds more than 1 % of the common stock of SAP AG. Members of the Executive Board held a total of 88,527 SAP shares on December 31, 2008. On December 31, 2007, members of the Executive Board held a total of 86,515 SAP shares.

The table below shows transactions by Executive Board members and persons closely associated with them notified to SAP pursuant to the German Securities Trading Act, section 15a, in 2008:

### Transactions in SAP Shares

	Transaction Date	Transaction	Quantity	Unit Price
				€
Léo Apotheker (Co-CEO)	October 29, 2008	Stock purchase	2,000	26.35

### Executive Board: Other Information

We did not grant any compensation advance or credit to, or enter into any commitment for the benefit of, any member of our Executive Board in 2008 or the previous year.

As far as the law permits, SAP AG and SAP AG's affiliated companies in Germany and elsewhere indemnify and hold harmless their respective directors and officers against and from the claims of third parties. To this end, we maintain directors' and officers' group liability insurance. The policy is annual and is renewed from year to year. The insurance covers the personal liability of the insured group for financial loss caused by its managerial acts and omissions. There is no individual deductible as envisaged in the German Corporate Governance Code. We believe the motivation and responsibility that the members of the Executive Board and Supervisory Board bring to their duties would not be improved by such a deductible element. For this reason, SAP regards a deductible as unnecessary for the insured group.

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## COMPENSATION FOR SUPERVISORY BOARD MEMBERS

### Compensation System

Supervisory Board members' compensation is governed by our Articles of Incorporation, section 16. Each member of the Supervisory Board receives, in addition to the reimbursement of his or her expenses, compensation composed of fixed elements and a variable element. The variable element depends on the dividend paid by SAP on common shares.

The fixed element is € 75,000 for the chairperson, € 50,000 for the deputy chairperson, and € 37,500 for other members. For membership of a Supervisory Board committee, members receive additional fixed compensation of € 2,500 (provided that the relevant committee meets during the fiscal year) and the chairperson of the committee receives € 5,000. The fixed remuneration element is due for payment after the end of the fiscal year.

The variable compensation element is € 8,000 for the chairperson, € 6,000 for the deputy chairperson, and € 4,000 for the other members of the Supervisory Board for each € 0.01 by which the dividend distributed per share exceeds € 0.25.

However, the aggregate compensation excluding compensation for committee memberships must not exceed € 200,000 for the chairperson, € 150,000 for the deputy chairperson, and € 100,000 for other members.

Any member of the Supervisory Board having served for less than the entire fiscal year receives one-twelfth of their respective remuneration for each month of service commenced. This also applies to the higher compensation levels for the chairperson and deputy chairperson and to the additional compensation for committee chairs and memberships.

## Amount of Compensation

Subject to the resolution on the appropriation of retained earnings by the Annual General Meeting of Shareholders on May 19, 2009, the compensation paid to Supervisory Board members in respect of fiscal year 2008 will be as set out in the table below:

€(000)	2008				2007			
	Fixed Compensation	Variable Compensation	Compensation for Committee Work	Total	Fixed Compensation	Variable Compensation	Compensation for Committee Work	Total
Prof. Dr. h.c. mult. Hasso Plattner (chairperson)	75.0	125.0	25.0	225.0	75.0	125.0	15.0	215.0
Lars Lamadé (deputy chairperson from May 10, 2007)	50.0	100.0	2.5	152.5	49.0	80.2	2.5	131.7
Pekka Ala-Pietilä	37.5	62.5	7.5	107.5	37.5	62.5	2.5	102.5
Thomas Bamberger (from May 10, 2007)	37.5	62.5	2.5	102.5	25.0	41.7	1.7	68.3
Panagiotis Bissirtsas (from May 10, 2007)	37.5	62.5	5.0	105.0	25.0	41.7	3.3	70.0
Willi Burbach	37.5	62.5	5.0	105.0	37.5	62.5	4.2	104.2
Helga Classen (deputy chairperson until May 10, 2007)	37.5	62.5	2.5	102.5	45.8	75.0	2.5	123.3
Prof. Dr. Wilhelm Haarmann	37.5	62.5	9.0	109.0	37.5	62.5	7.5	107.5
Bernhard Koller (until May 10, 2007)	0.0	0.0	0.0	0.0	15.6	26.0	1.0	42.7
Peter Koop (from May 10, 2007)	37.5	62.5	2.5	102.5	25.0	41.7	1.6	68.3
Christiane Kuntz-Mayr (until May 10, 2007)	0.0	0.0	0.0	0.0	15.6	26.0	2.1	43.8
Bernard Liautaud (from June 3, 2008)	21.9	36.5	1.5	59.8	0.0	0.0	0.0	0.0
Dr. Gerhard Maier	37.5	62.5	5.0	105.0	37.5	62.5	5.0	105.0
Dr. h.c. Hartmut Mehdorn	37.5	62.5	1.5	101.5	37.5	62.5	0.0	100.0
Prof. Dr.-Ing. Dr. h.c. Dr.-Ing. E.h. Joachim Milberg (from May 10, 2007)	37.5	62.5	11.5	111.5	25.0	41.7	5.0	71.7
Prof. Dr. Dr. h.c. August-Wilhelm Scheer (until April 4, 2008)	12.5	20.8	2.5	35.8	37.5	62.5	7.5	107.5
Dr. Barbara Schennerlein (until May 10, 2007)	0.0	0.0	0.0	0.0	15.6	26.0	1.0	42.7
Dr. Erhard Schipporeit	37.5	62.5	7.5	107.5	37.5	62.5	5.0	105.0
Stefan Schulz	37.5	62.5	5.0	105.0	37.5	62.5	5.0	105.0
Dr. Dieter Spöri (until May 10, 2007)	0.0	0.0	0.0	0.0	15.6	26.0	1.0	42.7
Dr. h.c. Klaus Tschira (until May 10, 2007)	0.0	0.0	0.0	0.0	15.6	26.0	1.0	42.7
Prof. Dr.-Ing. Dr.-Ing. E.h. Klaus Wucherer (from May 10, 2007)	37.5	62.5	2.5	102.5	25.0	41.7	1.7	68.3
<b>Total</b>	<b>646.9</b>	<b>1,094.8</b>	<b>98.3</b>	<b>1,840.0</b>	<b>672.9</b>	<b>1,118.8</b>	<b>76.3</b>	<b>1,867.9</b>

In addition, we reimburse to members of the Supervisory Board their expenses and the value-added tax payable on their compensation.

The total compensation of all Supervisory Board members in 2008 for work for SAP excluding compensation relating to the office of Supervisory Board member was € 1,050,300.

### Long-Term Incentives for the Supervisory Board

We do not offer members stock options or other share-based compensation for their Supervisory Board work. Any stock options or other share-based compensation received by employee-elected members relate to their position as SAP employees and not to their work on the Supervisory Board.

### Supervisory Board Members' Shareholdings

Note 20 in the [Notes to the Consolidated Financial Statements](#) section shows the shareholdings of Supervisory Board members Hasso Plattner (chairperson) and Klaus Tschira (who left the Supervisory Board in May 2007), and the companies they control, on December 31, 2008. No other member of the Supervisory Board held more than 1 % of the SAP AG common stock at the end of 2008 or of the previous year. Members of the Supervisory Board held a total of 128,995,306 SAP shares on December 31, 2008. On December 31, 2007, members of the Supervisory Board held a total of 128,993,710 SAP shares.

The table below shows transactions by Supervisory Board members and persons closely associated with them notified to SAP pursuant to the German Securities Trading Act, section 15a, in 2008:

### Transactions in SAP Shares

	Transaction Date	Transaction	Quantity	Unit Price
				€
Dr. Elisabeth Strobl-Haarmann	March 13, 2008	Stock sale	4,490	31.50
Prof. Dr.-Ing. Dr.-Ing. E.h. Klaus Wucherer	July 4, 2008	Stock purchase	1,500	33.08

### Supervisory Board: Other Information

We did not grant any compensation advance or credit to, or enter into any commitment for the benefit of, any member of our Supervisory Board in 2008 or the previous year.

Hasso Plattner, the chairperson of the Supervisory Board, entered into a consulting contract with SAP after he joined the Supervisory Board in May 2003. The contract does not provide for any compensation. The only cost we incurred under the contract was the reimbursement of expenses.

As far as the law permits, we indemnify Supervisory Board members against, and hold them harmless from, claims brought by third parties. To this end, we maintain directors' and officers' group liability insurance. For more information about this insurance, see the Executive Board: Other Information section.