German Stock Corporation Act, Section 161 Declaration by the Executive and Supervisory Boards of SAP SE Concerning SAP's Implementation of the German Corporate Governance Code

Pursuant to the German Stock Corporation Act, section 161, the Executive Board and the Supervisory Board of SAP SE (SAP) declare as follows:

Since the last Declaration, made on October 29, 2013, SAP has followed the recommendations in the May 13, 2013, version of the German Corporate Governance Code, which was published in the *Bundesanzeiger* (German Federal Gazette) on June 10, 2013, except as set out in sections 1) to 7) below, and in the future will follow the recommendations in the June 24, 2014, version (which was published in the *Bundesanzeiger* on September 30, 2014) except as set out in sections 1) to 6) below:

1. Supervisory Board directors' and officers' liability insurance policies do not provide for a deductible

In section 3.8, the German Corporate Governance Code (Code) recommends that if a company takes out directors' and officers' liability (D&O) insurance for its supervisory board members, a deductible should be agreed. SAP does not believe that the motivation and responsibility that the members of the Supervisory Board bring to their duties would be improved by such a deductible element. SAP does not therefore plan to amend its current D&O insurance policies in that respect.

2. Executive Board appointment contracts do not cap severance payments on premature termination

The fourth paragraph in section 4.2.3 of the Code recommends that when executive board appointment contracts are concluded, care should be taken to ensure that any severance payments, including additional benefits, on premature termination, are capped at two times the annual compensation or, if less, compensation for the remaining contract term. SAP does follow the recommendation in the fifth paragraph in section 4.2.3 of the Code concerning the maximum amount payable in the event of a change of control. However, we do not believe the uniform cap on severance pay stipulated in the fourth paragraph in section 4.2.3 of the Code is appropriate for all of the circumstances the recommendation covers. In our view, aside from a change of control, there may also be other circumstances in which a contract might be terminated and in which an affected Executive Board member could have a justifiable claim to better severance terms. Moreover, we do not believe it would be feasible to apply the recommendation in the most likely circumstances, namely when the seat on the Executive Board is vacated by agreement under a termination contract. In such cases, a cap on severance pay stipulated in the appointment contract would, in practice at least, be difficult for the Company to enforce unilaterally. Also, an agreement in this respect that had been concluded in advance might not make adequate provision for the particular facts and surrounding circumstances that later actually give rise to an agreement to end an Executive Board member's work before completion of the full term. However, we do follow the thinking behind the recommendation in the Code in that it remains our policy to negotiate severance pay that is reasonable in the circumstances if we terminate an Executive Board member's service by agreement before full term. We also have measures in place to ensure we would not pay severance to an Executive Board member whose appointment contract was terminated for breach.

3. The Long-Term Incentive Plan (LTI Plan) 2015 variable compensation is not capped

The Code recommends (in section 4.2.3, second paragraph, sixth sentence) a cash cap on executive board members' variable compensation elements and overall compensation. SAP also follows this recommendation for the LTI Plan 2015. Though the LTI Plan cannot pay out more than 150% of the restricted stock units (RSUs) allocated for each year, there is no cap on the SAP stock price, which is also a factor in the payout at the end of the four-year vesting period because, in our view, capping the payout is counter to the thinking behind share-based compensation. If the Code recommendation requires that the payout on share-based compensation plans also be capped, SAP does not follow this recommendation. Similarly, we possibly do not follow the recommendation, contained in section 4.2.5 (third paragraph, first subpoint) of the Code to present the maximum achievable compensation for variable compensation elements in the compensation report for fiscal years beginning after December 31, 2013. As the cash payout from the RSUs in the LTI Plan is not capped, we are therefore unable to publish the maximum achievable compensation. Thus, the only reason for this deviation is that there is no additional cap on the payout of RSUs.

4. SAP has not set an age limit for members of the Executive Board

The second paragraph of section 5.1.2 in the Code recommends that an age limit be set for executive board members. SAP does not set any age limits for members of the Executive Board because this would be a general restriction on the Supervisory Board in its choice of suitable Executive Board members and we prefer not to regard people above a set age limit as generally unsuitable for Executive Board membership.
Moreover, in view of the decision by the German Federal Supreme Court (*Bundesgerichtshof*) of April 23, 2012 (case no. II ZR 163/10) on the application of the German General Equal Treatment Act (*Allgemeines Gleichbehandlungsgesetz*) containing a prohibition of age discrimination to a managing director of a German limited liability company, we believe that the setting of an age limit for executive board members presents legal uncertainties.

5. When our Supervisory Board recommends candidates for its own membership to the competent election bodies, it does not have regard to the concrete objectives it has adopted for its own composition

The Code recommends (in section 5.4.1, third paragraph, first sentence) that recommendations by a supervisory board to the competent election bodies should take into account the concrete objectives it has adopted regarding its own composition. Our Supervisory Board will have regard to its adopted objectives when seeking to identify suitable persons for candidacy and when choosing which candidates to propose to the General Meeting of Shareholders. In the interest of SAP, however, the Supervisory Board must be in a position to recommend to the General Meeting of Shareholders those candidates it believes are best suited for the vacant Supervisory Board seats. Ordinarily, one of the suitability criteria will be whether a person's candidacy is consistent with the concrete objectives. However, that need not always be the decisive criterion for proposing a particular candidate. The law, which empowers the General Meeting of Shareholders to elect members to the Supervisory Board, requires neither that the Meeting adhere to the Supervisory Board's objectives nor that it elect the Supervisory Board’s proposed candidates.

6. Our performance-related compensation for Supervisory Board members is not aligned to sustained growth

The Code recommends (in section 5.4.6, second paragraph, second sentence) that performance-related compensation for Supervisory Board members be linked to sustained growth. In the absence of detailed guidance from the Regierungskommission Deutscher Corporate Governance Kodex (the German governmental commission that publishes the Code) regarding the intended criterion, we cannot exclude the possibility that the recommendation envisages measuring performance over more than one year. By way of precaution, we therefore note that the dividend-based variable compensation we award our Supervisory Board members may not follow the Code recommendation in question. SAP rather doubts whether reliance on measurement of performance over several years is the only correct approach to performance-related compensation for Supervisory Board members and whether it would better motivate Supervisory Board members to further the interests of the Company and fulfill their specific duties than does the award of dividend-based compensation alongside their fixed compensation. Moreover, to avoid conflict of purpose, performance would have to be measured against the same long-term objectives that the Supervisory Board sets for the Executive Board. We believe that for the Supervisory Board this could set up conflicts of interest we seek to avoid. For this reason, the variable component of compensation for Supervisory Board members at SAP is linked only to the annual dividend, which, because of our consistent dividend policy over the years, also reflects our sustained and sustainable Company growth.

7. Jim Hagemann Snabe will not receive variable compensation for his service as co-chief executive officer for the period from January 1, 2013, to his transfer to the Supervisory Board on May 21, 2014

The Code recommends (in section 4.2.3, second paragraph, second sentence) that executive board members' cash compensation comprise fixed and variable elements. In view of Mr. Snabe's intended transfer to the Supervisory Board on May 21, 2014, SAP and Mr. Snabe agreed that he receive only fixed cash compensation elements for his membership of the Executive Board in 2013 and 2014; some of the cash compensation elements granted for 2013 would not pay out if certain targets were not achieved. The objective of the agreement for fixed cash compensation elements only was to avoid a conflict of interest for Mr. Snabe. Had Mr. Snabe received the variable compensation elements SAP ordinarily pays its Executive Board members, such a conflict of interest would have arisen on his transfer to the Supervisory Board because (some) elements of his Supervisory Board compensation package would have converged with those of the remaining Executive Board members.

Walldorf, October 29, 2014

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