

# SAP AG

## General Meeting of Shareholders

on May 21, 2014 at SAP Arena in Mannheim, Germany

### AGREEMENT ON THE INVOLVEMENT OF EMPLOYEES IN SAP SE

- (A) The Executive Board and the Supervisory Board of SAP AG intend to propose at the 2014 annual general meeting of SAP AG to transform SAP AG into a European Company (*Societas Europaea*, SE) with its registered office in Walldorf/Baden.
- (B) The SE in particular accounts for the international character of SAP's business. As a legal form based on European law, the SE promotes the establishment of an open and international corporate culture. Accordingly, all employees in the member states of the European Union ("**EU**") and in the contract states of the European Economic Area ("**EEA**") will also be represented on the Supervisory Board of SAP SE in the future.
- (C) In anticipation of the transformation of SAP AG into an SE, and on the basis of both the Council Directive 2001/86/EC supplementing the Statute for a European company with regard to the involvement of employees (Directive 2001/86/EC of 8 October 2001) and the Act on the Involvement of Employees in a European Company (*Gesetz über die Beteiligung der Arbeitnehmer in einer Europäischen Gesellschaft* – "**SEBG**"), the Executive Board of SAP AG and the Special Negotiating Body ("**SNB**") enter into this agreement on the involvement of employees in the future SAP SE ("**SAP SE**", this agreement referred to as the "**Agreement**").

## Part I: SE Works Council

### 1 Establishment, Scope and Competence

#### 1.1 Establishment of an SE Works Council and Scope

To ensure the right to information and consultation of the employees employed within the Scope of this Agreement at SAP SE, its subsidiaries with registered office within the Scope of this Agreement, and the establishments of SAP SE and its subsidiaries located within the scope of this Agreement ("**SAP Employees**"), an SE Works Council is to be established at the SAP SE headquarters. Information and consultation shall be the responsibility of the central Management of SAP SE.

For the purpose of this Agreement, subsidiaries shall mean all companies in which SAP SE directly or indirectly holds the majority of voting rights and the companies that are fully consolidated by SAP SE ("**Subsidiaries**"; SAP SE and its Subsidiaries together the "**SAP Group**").

"**Scope of this Agreement**" shall mean the territory of the member states of the EU and of the contract states of the EEA (such member states and contract states each referred to individually as the "**Country**" or jointly as the "**Countries**").

The SE Works Council may invite SAP employees from outside the Scope of this Agreement as guests, attending virtually.

"**Central Management**" of SAP SE shall mean the Executive Board of SAP SE or the management level within SAP Group that is in charge of or entrusted with a matter and its respective representatives.

#### 1.2 Competence

Subject to the provisions following hereinafter, the SE Works Council shall be competent for the involvement of SAP Employees in matters which affect at least two Countries within the Scope of this Agreement ("**Transnational Matters**").

### 2 Composition, Membership and Allocation of Seats

#### 2.1 Composition

2.1.1 Each Country within the Scope of this Agreement in which the SAP Group employs employees shall be represented on the SE Works Council by one member.

In case a Country has less than 10 employees it may request to be represented on the SE Works Council by another Country. Whenever a Country represents another Country the numbers of the represented employees are added to the representing Country. The number of employees is taken into account when calculating the number of seats for the representing Country. The vote of the represented Country is not allocated to the representing Country.

Further regulations regarding the representation by another Country are laid down in Annex 2.

For each share of employees in one Country which accounts for 10% of the total number of SAP Employees within the Scope of this Agreement, one additional member from such Country shall be elected or appointed as a member of the SE Works Council.

For this purpose, the number of SAP Employees as at the end of the calendar quarter preceding the commencement of the elections to the SE Works Council is decisive.

The Central Management shall request every Country to appoint members to the SE Works Council. To this end, a member of the Executive Board shall draft a communication together with the Chairperson of the SNB/SE Works Council which shall be sent to Countries determined by the SNB/SE Works Council.

2.1.2 These rules shall apply *mutatis mutandis*, if Countries join the EU or the EEA. These Countries shall be entitled to appoint representatives to the SE Works Council pursuant to the provisions of this Agreement.

In case of a mutual agreement between the Central Management and the SE Works Council, other Countries outside the Scope of this Agreement may be entitled to elect or appoint representatives to the SE Works Council.



## 2.2 Review of the Composition

Every two years after the entry into effect of this Agreement or in case of acquisitions or disposals, the Central Management of SAP SE shall review whether changes have occurred in the number of SAP Employees in the Countries within the Scope of this Agreement as at the end of the calendar quarter preceding the review and shall inform the Select Committee (Part I Clause 5) of the result of such review. If, according to the result of this review, a different composition of the SE Works Council is required, the Select Committee shall initiate re-elections or re-appointments, for the remaining term of office of the SE Works Council, of all SE Works Council members from the Countries where the number of SE Works Council Members is to be adjusted.

Any elections and appointments required in connection with the adjustment of the composition of the SE Works Council shall be completed before the next Q3 Meeting pursuant to Part I Clause 3.2.

The office of the newly elected or appointed members of the SE Works Council shall commence at the beginning of the first meeting following the re-election or re-appointment and, at the same time, the office of the previous members from the Countries in which adjustment related re-elections or re-appointments were made terminate; the office of the newly elected or newly appointed members of the SE Works Council shall expire upon the end of the SE Works Council's regular term of office (Part I Clause 2.6).

## 2.3 Appointment or Election of Members of the SE Works Council, Communication

Only SAP Employees are eligible to be members of the SE Works Council. The election or appointment of members of the SE Works Council is subject to the respective provisions of the Countries for which they are elected or appointed.

If there are no national provisions regulating SE Works Council elections or appointments, the same rules as for the SNB elections apply.

The elections and appointments to the first SE Works Council shall be initiated by the Executive Board of SAP SE directly after entry into effect of this Agreement; the Select Committee shall be responsible for initiating the elections and appointments to subsequent SE Works Councils.

The Executive Board of SAP SE shall be informed in writing and without undue delay of the names of the members appointed or elected to the SE Works Council.

The Executive Board of SAP SE shall publish the election results for the SE Works Council.

The SAP SE Executive Board is required to notify the local managements of the names and legal status of the elected members and substitute members.

## 2.4 The Allocation of Seats on the first SE Works Council

Based on Part I Clause 2.1, the allocation of seats on the first SE Works Council is as set out in Annex 1.

## 2.5 Substitute Members

For each member, a substitute member shall be determined in accordance with Part I Clause 2.3. If a member of the SE Works Council is prevented from attending a meeting, the respective substitute member shall be invited.

## 2.6 Term of Office of the SE Works Council

The SE Works Council shall be elected for four years. The term of office commences on the day of the constitutive meeting of the respective SE Works Council. The term of office of the SE Works Council expires only upon the day of the constitutive meeting of the new SE Works Council. Re-appointments and re-elections of the members of the SE Works Council are permitted.

Notwithstanding any other cases provided for in this Agreement and by law, the office of an SE Works Council member ends prematurely

- (a) upon resignation;
- (b) upon the SE Works Council member leaving the SAP Group or upon the company leaving the SAP Group with which the employment relation of the SE Works Council member exists;
- (c) upon assuming a permanent position in another Country.

The substitute member elected or appointed for the SE Works Council member prematurely losing office shall replace such SE Works Council member for the remaining period of office of the SE Works Council, unless the loss of office is due to an adjustment of the composition of the SE Works Council pursuant to Part I Clause 2.2.

If an SE Works Council member is with its agreement temporarily transferred to a Country outside the Scope of this Agreement, its elected or appointed substitute member shall replace it for the term of the transfer. This applies also if the SE Works Council member is with his/her consent temporarily reallocated to a Country within the Scope of this Agreement, provided he/she declares in text form vis-à-vis the SE Works Council's Chairperson not to be able to perform his/her office for the term of the reallocation. To the extent that mandatory national law conflicts with these regulations, national law shall remain unaffected.

## 2.7 Challenging the Appointment or Election, Assertion of Nullity

The appointment or election of a member or substitute member of the SE Works Council may be challenged if material provisions on the appointment or election of members of the SE Works Council have been violated and such violation has not been remedied, unless such violation could not possibly have changed or influenced the results of the election or appointment.

Eligibility to challenge is limited to:

- (i) the employees' representative bodies represented in the election or appointment committee
- (ii) in the case of direct vote, at least three employees eligible to vote;
- (iii) the nominating unions;
- (iv) the SE Works Council; and
- (v) the Executive Board of SAP SE.

Any action must be brought within one month from the publication of the result of the election or appointment pursuant to Part I, Clause 2.3. There shall be no term for the assertion of invalidity. The Labor Court in Mannheim shall have exclusive jurisdiction.

SAP SE shall bear all associated costs.

## 2.8 Removal from Office

The Executive Board of SAP SE or the SE Works Council may apply for the exclusion of a member from the SE Works Council because of a serious breach of his or her duties as a member of SE Works Council to Mannheim Labor Court. The membership shall end upon the legally valid notice of the exclusion of the member by the competent Labor Court. SAP SE shall bear all associated costs.

# 3 Meetings of the SE Works Council

## 3.1 Constitutive Meetings of the SE Works Council

After having been informed of the members of the SE Works Council (Part I Clause 2.3), but no later than twelve weeks after initiating the elections or appointments for the first SE Works Council, the Executive Board of SAP SE shall invite to the constitutive meeting of the first SE Works Council within six weeks, at the registered office of SAP SE. Constitutive meetings of subsequent SE Works Councils shall be held at the beginning of the first meeting after the new SE Works Council has been elected or appointed.

During the constitutive meeting, the SE Works Council shall elect a Chairperson and a deputy from its members as well as an Select Committee (Part I Clause 5.1).

The constitutive meeting may last an extra-day in order to prepare and organize itself.

## 3.2 Meetings

The SE Works Council shall meet for four meetings in total per calendar year at the registered office of SAP SE.

One of these four meetings shall be held immediately before the annual general meeting of SAP SE; as a general rule, this meeting shall take four days, the arrival before and the departure after this meeting being included in such period. The other three meetings shall, as a rule, take three days, the arrival and the departure also being included in such period.



The Select Committee shall invite to the meetings. The Select Committee and the Central Management of SAP SE shall agree on the exact meeting date and the agenda of the meetings in due time.

### 3.3 Participation of the Executive Board of SAP SE

The Central Management of SAP SE shall participate in the meetings of the SE Works Council to the extent provided for in this Agreement or if so agreed between the SE Works Council and the Central Management.

In the meetings, the Central Management of SAP SE shall generally be represented by the Executive Board member responsible for labor and social affairs or her or his representative from Human Resources.

### 3.4 Participation of Employees' Representatives on the Supervisory Board of SAP SE

The employees' representatives on the Supervisory Board of SAP SE shall be entitled, upon invitation by the Select Committee, to participate in individual meetings of the SE Works Council or in respect of particular agenda items.

### 3.5 Participation of Representatives of European Trade Unions

The SE Works Council may invite trade union officials represented in the SAP Group or representatives of the respective umbrella organizations to the SE Works Council's meetings. Such guest must submit to the same obligations of secrecy and confidentiality as they apply to experts and interpreters by virtue of Section 41 SEBG.

### 3.6 Participation of Executives

The SE Works Council may invite SAP SE executives to attend the meetings of the SE Works Council and/or individual agenda items.

### 3.7 Non-public Meetings

The meetings of the SE Works Council are not public. While the SE Works Council is in session, contents or results of the information and consultation process must not be disclosed.

### 3.8 Country Meetings

If a Country represented in the SE Works Council has no common national employee representative body, joint meetings of the individual employee representative bodies of the respective Country may be held at a national level, in order to prepare for or follow-up on SE Works Council meetings. These meetings shall be limited to the required extent. The meetings shall not constitute a consultation and decision-making body for national matters.

## 4 Resolutions of the SE Works Council, internal Organization

### 4.1 Quorum

The SE Works Council shall constitute a quorum if at least half of its appointed or elected members are present and the present members also represent the majority of the SAP Employees represented in the SE Works Council.

### 4.2 Resolutions

#### 4.2.1 Adoption of resolutions with "double majority"

The following resolutions of the SE Works Council shall be adopted with the majority of its appointed or elected members, which shall also include the majority of the total SAP Employees represented in the SE Works Council ("**Double Majority**"):

- (a) election of the Chairperson of the SE Works Council and his/her deputy;
- (b) election of the three other members of the Select Committee;
- (c) approval of rules of procedure for the SE Works Council and the Select Committee;
- (d) appointment of the employees' representatives on the Supervisory Board of SAP SE;
- (e) resolutions concerning the challenge of the election or appointment of a member of the SE Works Council or the institution of removal proceedings according to Part I Clause 2.8;
- (f) notice of termination of this Agreement.



The number of SAP Employees at the time of the last review (Part I Clause 2.2) is decisive. As long as a Country does not have an appointed or elected member in the SE Works Council, the respective employees shall be deemed not represented. Part I Clause 2.1.1 is not affected.

If a Country is represented by several members of the SE Works Council, each member from such Country shall represent an equal number of employees.

#### 4.2.2 Adoption of resolutions with "simple majority"

In all other cases, unless otherwise provided for in this Agreement, resolutions of the SE Works Council shall be adopted with the majority of its appointed or elected members ("**Simple Majority**").

#### 4.3 Recording of Resolutions

Resolutions of the SE Works Council will be recorded in written form. The SE Works Council will provide Central Management with all resolutions as required by this Agreement.

#### 4.4 Internal Rules of Procedure

The SE Works Council may enact written rules of procedure for the SE Works Council and written rules of procedure for the Select Committee to further address procedural issues not finally regulated in this Agreement.

#### 4.5 Creation of Working Groups

In coordination with the Central Management, the SE Works Council shall be entitled, upon the initiative of the Select Committee, to establish working groups for addressing certain issues for limited periods of time to ensure and increase effectiveness and expertise of the SE Works Council.

### 5 Select Committee

#### 5.1 Composition

The SE Works Council shall form from amongst its members a committee of five members, to include, apart from the chairperson of the SE Works Council and his/her deputy, three other members of the SE Works Council ("**Select Committee**"). The chairperson of the SE Works Council shall be the chairperson and the deputy chairperson of the SE Works Council shall be the deputy chairperson of the Select Committee.

#### 5.2 Management and Representation

The Select Committee shall manage the daily affairs of the SE Works Council and shall represent the SE Works Council within the scope of its resolutions. The chairperson of the Select Committee shall manage the daily affairs of the Select Committee and shall represent it within the scope of its resolutions. The chairperson and his/her deputy shall each individually be authorized to accept declarations to be made to the SE Works Council or the Select Committee respectively.

#### 5.3 Quorum and Resolutions

Unless otherwise provided in the rules of procedure to be adopted by the SE Works Council for the Select Committee, the following shall apply:

- the Select Committee shall constitute a quorum if at least three of its members participate in adopting any resolution;
- the resolutions of the Select Committee shall require a simple majority of its members.

Resolutions shall be proposed in writing.

The Select Committee may also adopt resolutions in virtual meetings respectively.

#### 5.4 Additional Tasks

Additional tasks of the Select Committee include in particular:

- (a) preparing and debriefing of the meetings of the SE Works Council;
- (b) initiating the elections or appointments to the SE Works Council;
- (c) within the scope of its responsibilities, representation in the information and consultation process on exceptional circumstances; and



(d) carrying out all other tasks assigned to it by this Agreement or by the SE Works Council.

## 5.5 Meetings of the Select Committee and Meeting Cycles

The Select Committee shall convene – subject to further meetings required in connection with any information and consultation on exceptional circumstances pursuant to Part I Clause 7 – for one ordinary physical meeting of one day per calendar year. The place of meeting is the registered office of SAP SE. However, the Select Committee shall be entitled to hold this meeting at a different SAP site within the Scope of this Agreement.

The Select Committee shall be entitled to hold, if necessary, additional meetings per year in the form of telephone or video conferences or by making use of other technical equipment that does not require the members to travel in order to be able to participate.

The meetings of the Select Committee are not public. While the Select Committee is in session, contents or results of the information and consultation process must not be disclosed; the communication with members of the SE Works Council shall remain unaffected.

## 6 Information and Consultation of the SE Works Council at the Annual Meetings

### 6.1 Principle

The Central Management of SAP SE shall inform and consult, the SE Works Council in the meetings in respect of the progress of the business and of the prospects of the SAP Group to the extent determined by this Agreement (Part I Clauses 1.1 and 1.2).

### 6.2 Items of Information and Consultation

Only the following matters shall be considered matters relating to the progress of the business and the prospects in the meaning of Part I Clause 6.1:

- (a) the strategy of the SE, changes to the strategy of the SE and their impact on the locations,
- (b) the structure of the SE and its economic and financial situation,
- (c) the probable development of the business and of production and sales,
- (d) the situation and probable trend of employment,
- (e) investments and investment programmes,
- (f) substantial changes concerning the organization,
- (g) the introduction of new working methods and processes or substantial changes to existing working methods and processes,
- (h) the relocation of undertakings, establishments or important parts thereof and relocation of the production,
- (i) mergers or split-ups of undertakings or establishments;
- (j) cut-backs or closures of undertakings, establishments or important parts thereof,
- (k) collective redundancies (as defined pursuant to respective national law),
- (l) the compensation structure,
- (m) diversity and demographic trends, as well as
- (n) other matters, to the extent they are presented by the Central Management.

The SE Works Council shall only be informed and consulted with to the extent the above items constitute Transnational Matters.

### 6.3 The Process of Information and Consultation

#### 6.3.1 Provision of Documentation and Information

(l) Central Management will provide the SE Works Council via the SE WoC IT Platform referred to in Part I Clause 9.3 with the documents required for the information and consultation process.

A link will be set up for the SE Works Council on the SE WoC IT Platform which allows direct access via the Homepage of SAP SE to all documents accessible for the shareholders for the respective general shareholders' meeting of SAP SE. Further, the SE Works Council shall be provided, through a posting on the SE WoC IT Platform not later than two weeks before the next meeting, with:

- the annual report of the SAP Group;
- the publication of the results of SAP Group for the quarter, half year and year;
- the annual social and personnel report;
- a written report on each of the items set out above in Clause 6.2 in (a) to (n).

(II) To the extent the report includes measures within the meaning of Clause 6.2 (f) to (k) above, it shall contain:

- a general description of the planned measure;
- the entrepreneurial reasoning for the planned measure;
- a detailed description of the consequences for affected employees, including a list of the affected Countries and the respective number of employees affected; and
- a description of the timeframe for the implementation of the measure.

(III) The SE Works Council may, within the two weeks from the posting of the above material, documents and reports and up to the following meeting, ask questions and make comments. Such questions and comments shall be answered in writing and with reasons by the Central Management of SAP SE without undue delay. The Central Management shall make itself available for comments and answers in the meetings.

#### 6.3.2 Opinion of the SE Works Council and Answer of Central Management

The SE Works Council is entitled to formulate within one week after a meeting a written opinion on the reports and on the progress of the business and the prospects of the SAP Group, which opinion will be posted on the SE WoC IT Platform. The Central Management of SAP SE shall within a period of one week from the posting of the opinion provide a reasoned response to any such opinion of the SE Works Council. The response of the Central Management to the opinion of the SE Works Council will be posted on the SE WoC IT Platform.

#### 6.3.3 Further Consultation in Exceptional Circumstances

If the Central Management's response in relation to a subject of information and consultation under Part I Clause 6.2 (h), (j) or (k) does not provide for plan changes which have considered the written opinion of the SE Works Council, the following applies:

- (i) The Select Committee may request another discussion with the Central Management within one week after posting of the response of Central Management. In order to decide about such a request and to prepare a meeting with the Central Management, the Select Committee may come together for a virtual meeting. To such meeting of the Select Committee, the Chairperson of the Select Committee may also invite one member of the SE Works Council from each of the Countries affected by the exceptional circumstances but not represented in the Select Committee. This extraordinary meeting of the Select Committee shall be held as a virtual meeting, unless the Chairperson of the Select Committee, with the consent of SAP SE Central Management, calls a physical extraordinary meeting.
- (ii) A meeting with the Central Management shall take place as a virtual meeting within one week after the request for a meeting. The above Clause 6.3.3 (i) last sentence shall apply accordingly.

#### 6.4 Completion of the Information and Consultation Process

- 6.4.1 The information and consultation process within a Meeting is completed once the one week period for an opinion of the SE Works Council (Part I Clause 6.3.2, first sentence) has expired without the SE Works Council having issued an opinion or once the response of Central Management to an opinion of the SE Works Council has been posted on the SE WoC IT Platform (Part I Clause 6.3.2, second and third sentences).

In case of a further consultation under Part I Clause 6.3.3 (limited to matters in Clause 6.2 (h), (j) or (k)), the information and consultation process is completed only upon the meeting of the Select Committee and Central Management.

6.4.2 The Central Management may not commence with the implementation of any measures until the final completion of the process provided for in Part I Clause 6.4. Irrespective of this, communication activities within an ongoing consultation process are permitted only in coordination with the Select Committee.

## 6.5 Records of Meetings

A record shall be made of the progress and contents of a Joint Meeting Section of any meeting, to be signed by the Chairperson of the Works Council and by Central Management.

## 7 Information and Consultation on Exceptional Circumstances

### 7.1 General Provisions

The Central Management of SAP SE must inform the Select Committee about any and all exceptional circumstances as defined in Clause 7.2 below. The process for the information and consultation of the Select Committee is to be governed by this Clause 7.

To the extent the planned measures are already a matter of information and consultation of the SE Works Council pursuant to Clause 6, the SE Works Council shall have exclusive responsibility and there shall be no further information and consultation of the Select Committee. The information and consultation process shall be conducted in such case as provided for in Clause 6 of this Agreement.

### 7.2 Exceptional Circumstances

Circumstances shall be deemed to be exceptional if the Central Management of SAP SE is unable, due to the urgency of a measure, to obtain the SE Works Council's views on any object subject to the latter's information and consultation pursuant to Part I Clause 6.2 during a meeting in such a timely manner that such views can still be taken into account in the entrepreneurial decision-making process.

### 7.3 The Information and Consultation Process

7.3.1 The information about exceptional circumstances shall be provided in the form of a written Special Report by the Central Management of SAP SE to the Select Committee to be posted on the SE WoC IT Platform. In respect of the substantive requirements of the Special Report, Part I Clause 6.3.1 (second paragraph) shall apply accordingly.

The Central Management of SAP SE shall inform the chairperson of the Select Committee about the posting of the Special Report on the SE WoC IT Platform at the same time it is being posted.

7.3.2 The Select Committee may, within a period of two weeks of the posting of the Special Report, raise questions and make comments.

A reasoned response to any questions and comments shall be provided in writing by the Central Management of SAP SE; the Central Management's response shall be posted on the SE WoC IT Platform.

7.3.3 The Chairperson of the Select Committee may call an extraordinary meeting of the Select Committee. Such meeting is to be held immediately after the end of the two-week period pursuant to Part I Clause 7.3.2. To such meeting, the Chairperson may invite one member of the SE Works Council from each of the Countries affected by the exceptional circumstances but not represented in the Select Committee. The extraordinary meeting of the Select Committee shall be held as a virtual meeting, unless the Chairperson of the Select Committee, with the consent of SAP SE's Central Management, calls a physical extraordinary meeting.

Upon request of the Chairperson of the Select Committee, the Central Management of SAP SE shall participate in the meeting of the Select Committee by virtual means and answer any questions.

An extraordinary meeting of the Select Committee during the information and consultation process shall not last longer than one day. The Select Committee's members and the representatives of the Countries affected shall be given sufficient time for preparation and debriefing.

- 7.3.4 The Select Committee shall be entitled to formulate a written opinion on the exceptional circumstances, to be posted on the SE WoC IT Platform, until the expiry of one week after the meeting in which the exceptional circumstances have been discussed.
- 7.3.5 The Central Management of SAP SE shall provide a reasoned response to any written opinion of the Select Committee within a period of one week after such opinion of the Select Committee has been posted; the Central Management's response shall be posted on the SE WoC IT Platform.
- 7.3.6 The process of information and consultation on exceptional circumstances will be completed with the posting of the Central Management's response unless the Select Committee, by way of exception, may request a further discussion with the Central Management in accordance with Part I Clause 7.3.7.
- 7.3.7 To the extent that the Central Management's response in respect of any object subject to the SE Works Council's information and consultation pursuant to Part I Clause 6.2 (h), (j) or (k) does not provide for plan changes which have considered the written opinion of the Select Committee, the procedure provided for in Part I Clause 6.3.3 shall apply accordingly. Should the Select Committee subsequently request a further consultation, the information and consultation process shall in such case not be completed unless a further meeting with the Central Management pursuant to Part I Clause 6.3.3 has been held.
- 7.3.8 The provisions of Part I Clause 6.4.2 and Clause 6.5 hereof shall apply accordingly to the process of information and consultation on exceptional circumstances.

## **8 Information by the SE Works Council or the Select Committee**

- 8.1 The Chairperson initially informs the SAP Employees about the content and outcomes of SE Works Council meetings.
- 8.2 Subsequently, the members of the SE Works Council may inform their respective local employees' representatives in the SAP Group and – to the extent there are no employees' representations – their respective local SAP Employees, e.g. via the respective SAP portal page, about the contents and results of the information and consultation processes.

If the employee representative body of a certain Country is not empowered to send information to the employees, then the respective SE Works Council member is entitled to share information on SE Works Council meetings content and results with the local employees.

Information shall also include the statement of the SE Works Council Chairperson according to Part I Clause 8.1.

- 8.3 Where required to carry out their designated role according to Part I Clause 8.2 the members of the SE Works Council shall be entitled to visit companies and sites within the Scope of this Agreement. Such visit should be coordinated with local management.

## **9 Cooperation and Support of the SE Works Council and the Select Committee**

### **9.1 General**

The Central Management of SAP SE, the SE Works Council and the Select Committee shall cooperate on the basis of mutual trust for the benefit of the employees and the SAP Group.

### **9.2 Costs of the SE Works Council and the Select Committee**

9.2.1 SAP SE shall bear the necessary costs in connection with the establishment and operation of the SE Works Council and the Select Committee. Such costs shall in particular include the costs of meetings, including the costs for arrival, departure and stay, rooms, administrative support, translation, interpretation and equipment.

9.2.2 The necessary personnel and equipment shall be made available to the members of the SE Works Council. This shall include access to a communication infrastructure in line with the current technical standard as well as resources for the Chairperson of the SE Works Council for the performance of the administrative support in fulfilment of his/her duties.

### 9.3 IT Support – SE WoC IT Platform and SE WoC Shared Spaces

An IT platform (“**SE WoC IT Platform**”) and shared spaces shall be set up for the SE Works Council.

The SE WoC IT Platform and the shared spaces shall assure confidentiality – only authorized members of SE Works Council, SE Works Council assistants, and Central Management shall have right to access the documents.

The Central Management shall use the common shared space of this Platform for the postings (“**Posting**”) required under this Agreement to and for the SE Works Council and the Select Committee.

The members of the Select Committee shall be informed immediately of a Posting by email. The Posting constitutes receipt of the respective Document by the SE Works Council and the Select Committee respectively.

For the members of the SE Works Council, an additional shared space shall be provided, which shall exclusively be reserved to the members of the SE Works Council for their internal communication.

### 9.4 Language and Translations

In line with SAP Group’s standard practice, the language in the SAP SE Works Council and the Select Committee and in the communication between Central Management, SE Works Council and Select Committee is English. Consequently, all oral and written communication shall be in English.

Costs for translation and interpretation services for the SE Works Council and/or the Select Committee will be borne by SAP SE as appropriate.

The Select Committee will decide in which cases and into which languages any translations or interpretation services are required.

### 9.5 Experts

For each meeting of the SE Works Council and/or the Select Committee to be held according to Part I Clause 6 and 7 one external legal counsel may be consulted. In addition, in case of a matter of information and consultation according to Part I Clause 6.2 (h), (j) or (k) the SE Works Council and/or the Select Committee may obtain support from another expert for each of these matters. Experts may also be representatives of trade unions represented in the SAP Group.

### 9.6 Training

Members of the SE Works Council may participate in learning and educational events to the extent they impart knowledge necessary for the discharge of the SE Works Council’s duties.

The SE Works Council must notify the Central Management of the attendance and the timing of such training events in good time.

When scheduling training, the company’s operational requirements must be taken into account. Possible subjects for training events are for example: working conditions, European labor laws, business administration, intercultural communication, language courses, company organization, team building.

### 9.7 Honorary Activity, Release from Work Duties

The members of the SE Works Council and their substitutes shall hold their office as an honorary office without remuneration.

The members of the SE Works Council shall be released from their professional activities without a reduction in pay insofar as this is required for the proper carrying out of their duties.

Before taking leave for activities of the SE Works Council, a member of the SE Works Council must inform the direct manager and/or local management in good time.

The time required for the discharge of the duties of a member of the SE Works Council, such as taking part in meetings, trainings, exchange of information with the substitutes and local representative bodies, travelling time, and related activities, is considered working time and bonus-relevant activity within the meaning of the applicable SAP policies (e.g. bonus plans, travel policies).

Further details shall be laid down in a separate agreement of proceedings.

## **10 Prohibition of discriminatory and preferential Treatment of Members of the SE Works Council**

The members of the SE Works Council shall not be impeded in or prevented from the performance of their activity. They must not be discriminated against or given favourable treatment because of their activity. Any ordinary notice of termination of a member of the SE Works Council during the term of their office or during the period of one year after termination of their office is prohibited. Dismissals for cause (*aus wichtigem Grund*) are permitted. Before a dismissal for cause is issued, the Select Committee is to be heard in respect of the reasons for the dismissal.

A reallocation resulting in the loss of membership in the SE Works Council is permitted only with the consent of the affected member or with the consent of the SE Works Council.

The members of the SE Works Council shall be released from work for the performance of their duties under this Agreement with continuation, and without reduction, of their remuneration (Part I Clause 9.7 of this Agreement).

The above stipulations apply to substitute members upon assuming the office.

## **11 Secrecy, Confidentiality**

With regard to secrecy and confidentiality, the legal provisions of Section 41 of the SEBG shall apply.

## **12 Rights of Involvement of the Employees in the Countries, Transitional Provisions**

The information and consultation rights of the employees and employees' representations under national laws and practices in the Countries within the Scope of this Agreement shall not be affected by this Agreement, except for the provisions of the Act on European Works Councils (Europäisches Betriebsräte-Gesetz – "**EBRG**").

The information and consultation processes under national laws and practices and the information and consultation process under this Agreement shall commence at the same time.

The European Works Council established at SAP AG shall remain in office in the transitional period until the constitutive meeting of the first SE Works Council; in this transitional period, the provisions applicable to the European Works Council so far shall remain applicable.

Upon the constitutive meeting of the first SE Works Council, the office of the European Works Council shall terminate and the Act on European Works Councils and the Agreement on the Establishment of an SAP European Works Council of 24 November 2011 shall cease to apply.

## Part II: Participation in the Supervisory Board of SAP SE

### 1 Two-tier Corporate Governance System

The statutes of SAP SE ("**Statutes**") will provide for a two-tier system with an Executive Board and a Supervisory Board. This Part II of this Agreement therefore governs the participation of the SAP Employees in the Supervisory Board of SAP SE.

### 2 Composition of the Supervisory Board of SAP SE

2.1 The Supervisory Board of SAP SE shall consist of an equal number of shareholders' representatives and employees' representatives, i.e. one half of its members shall be appointed on the nomination of the employees ("**Employees' Representatives**").

2.2 The Supervisory Board of SAP SE shall consist of 18 members and consequently nine Employees' Representatives, until the Statutes are amended to the effect that the Supervisory Board shall in the future comprise twelve members and consequently six Employees' Representatives. Such statute amending resolution may be resolved at the earliest in the ordinary general meeting 2018 and shall be subject to an identical proposal of the Supervisory Board and the Executive Board to amend the Statutes to that effect pursuant to Section 124 (3) Stock Corporation Act.

In the Supervisory Board meeting that decides on such proposal to amend the Statutes the SE WoC Chairperson gets the opportunity to present the opinion of the SE WoC.

2.3 The amendment of the Statutes shall be made so as to apply only to the new term of office of the Supervisory Board commencing after the amendment became effective (i.e., at the earliest with effect as of the term of office beginning with the conclusion of the general meeting 2019).

### 3 Procedure for Determining the Nominations for the Appointment of the Employees' Representatives

#### 3.1 Principles

The Employees' Representatives on the Supervisory Board of SAP SE and their personal substitutes shall be appointed by the SE Works Council.

To the extent that the appointment is based on nominations from Countries, the SE Works Council shall establish that the nominations comply with the requirements stipulated in this Agreement. In all other respects, the SE Works Council is bound by the nominations made from within the Countries.

Only SAP Employees and members of employee unions represented in the SAP Group may be nominated and appointed to serve as Employees' Representatives on the Supervisory Board of SAP SE. For each Employees' Representative, a personal substitute shall be nominated and appointed.

The rules of this Agreement on the determination and appointment of Employees' Representatives on the Supervisory Board shall apply to the determination and appointment of the substitutes as well.

#### 3.2 Employees' Representatives of the First Supervisory Board of SAP SE

3.2.1 Temporarily appointed as Employees' Representatives on the First Supervisory Board of SAP SE and as substitutes are, for the period until the conclusion of the annual general meeting 2015:

Seat	Member	Substitute	Country
1	Christiane Kuntz-Mayr	Christine Regitz	Germany
2	Kurt Reiner	Sebastian Wagner	Germany
3	Lars Lamadé	Stefan Hirschenberger	Germany
4	Margret Klein-Magar	Ulrich Marquard	Germany
5	Mario Rosa-Bian	Uwe Riegler	Germany
6	Panagiotis Bissiritsas	Robert Kupler	Germany
7	Stefan Schulz	Torsten Kipping	Germany
8	Catherine Bordelon	Marc De Gibon	France
9	Steffen Leskovar	Pascal Demat	SNB

The process of determining the final Employees' Representatives on the First Supervisory Board of SAP SE shall commence without undue delay upon this Agreement taking effect. As soon as all final Employees' Representatives have been determined, the SE Works Council shall appoint in its next regular meeting the so determined Employees' Representatives with effect as of the conclusion of the general meeting 2015 for a term of office ending simultaneously with the regular term of office of the shareholders' representatives of the First Supervisory Board of SAP SE. The office of the temporarily appointed Employees' Representatives on the First Supervisory Board ends upon the appointment of the final Employees' Representatives taking effect.

3.2.2 For the final appointment of the Employees' Representatives in the First Supervisory Board of SAP SE, the seats are allocated as follows:

Seat	Country
1	Germany
2	Germany
3	Germany
4	Germany (trade union representatives)
5	Germany (trade union representatives)
6	Germany (executives)
7	France (country with 2 <sup>nd</sup> highest number of SAP Employees)
8	Germany, from the German members of the SE Works Council
9	Member of the SE Works Council from a Country which is not covered by the first eight seats pursuant to determination by the SE Works Council

In all other respects, the rules for the determination of Employees' Representatives in Part II Clause 3.3 below shall apply. The substitutes for the Employees' Representatives for the eighth and ninth seats shall also be determined by the SE Works Council from among the members of the SE Works Council, if possible from the same Country as the Employees' Representative.

3.3 Procedure for Nominations for the Appointment of Employees' Representatives for a Supervisory Board with 18 Members

Where the Supervisory Board of SAP SE consists of 18 members and consequently nine Employees' Representatives, the nominations for the appointment of the Employees' Representatives on the Supervisory Board of SAP SE shall be governed by the following provisions.

3.3.1 Except for the first Supervisory Board (in respect of which the allocation of seats is as provided for in Part II Clause 3.2.2), the SE Works Council shall allocate the seats for the Employees' Representatives on the new Supervisory Board of SAP SE ("**Employee Seats**") to the Countries in due time prior to the end of the ordinary term of office of the Employees' Representative on the Supervisory Board, but no later than nine months before the appointment of the new Employees' Representatives.

The first seven of the Employee Seats shall be allocated in proportion to the numbers of SAP Employees employed in the individual Countries (d'Hondt method), provided that if the first six seats are allocated to one Country, the seventh seat is for the Country with the second highest number of SAP Employees. The number of SAP Employees as at the end of the next to last calendar month before the Employee Seats are allocated by the SE Works Council shall be decisive.

The eighth seat is allocated to the Country represented in the SE Works Council with the highest number of SAP Employees. A member of the SE Works Council from that Country determined by the SE Works Council shall then be appointed Employees' Representative on the Supervisory Board.

The ninth seat is allocated to a Country not already allocated a seat in the Supervisory Board but represented on the SE Works Council. The member of the SE Works Council from that Country shall then be appointed Employees' Representative on the Supervisory Board.



The substitutes for the Employees' Representatives for the eighth and ninth seats shall also be determined by the SE Works Council from among the members of the SE Works Council, if possible from the same Country as the Employees' Representative.

3.3.2 In respect of the seats among the first seven Employee Seats allocated to Germany, the nominations for Employee Representatives are made by direct vote of all SAP Employees with their principal place of employment in Germany. The provisions of the Third Election Ordinance of the Participation Act 1976 (*Dritte Wahlordnung zum Mitbestimmungsgesetz 1976*) ("**3. WO**") shall apply *mutatis mutandis* to the direct vote, subject to the following provisions:

- The vote is direct, a vote through delegates is not permitted;
- The vote in each of the ballots follows the principles of majority vote. A vote on the basis of lists is excluded. Every voter has the number of votes equaling the number of seats to be distributed. It is not permitted to accumulate votes (*Kumulieren*) (i.e. assign more than one vote to one candidate);
- The vote is done by absentee voting only. This also applies to executive employees;
- The group works council shall determine the election committee for all group companies in Germany. It shall exercise all duties assigned to election committees by the 3. WO;
- Seats are reserved for representatives of trade unions represented in SAP Group in Germany: if Germany is allocated at least four out of the first seven seats – one seat, and if Germany is assigned at least six seats out of the first seven seats – two seats;
- Executive employees are reserved a seat on SAP SE's supervisory board only if Germany has five seats among the first seven seats. The provisions of the 3. WO Section 3 Subsection 3 will apply subject to the uniform election committee organizing the elections;
- The election of the union representative(s) and the executive employees' representative and the election in respect of the seats subject to the group works council's election proposal (cf. last bullet point) shall each be carried out in separate ballots;
- All SAP Employees with their principal place of work in Germany with the exception of groups listed in Section 5 (3) Works Constitution Act may submit election proposals for the remaining seats. Election proposals must be signed by a fifth or 100 SAP Employees with their principal place of work in Germany;
- To the extent that fewer election proposals than necessary are submitted for the seats reserved for the union representative(s) or the executive employees, these seats will be filled from the group works council's election proposals. The same applies if the SAP Employees do not submit a sufficient number of election proposals.

3.3.3 For Countries other than Germany, the procedure for determining the nominations for the first seven Employee Seats shall be governed by the relevant national provisions on the election or appointment of the Employees' Representative on the Supervisory Board applicable in the individual Countries from which the Employees' Representatives are to be determined. To the extent that the Countries do not provide for rules on the determinations for the seats allocated to them, the right to nominate shall rest with the SE Works Council.

3.3.4 The procedure of nominating and appointing the Employees' Representative on the Supervisory Board shall be completed in due time prior to the general meeting of shareholders that appoints the shareholders' representatives on the new Supervisory Board. The last annual meeting of the SE Works Council prior to this general meeting of shareholders is to be scheduled accordingly.

3.4 Procedure for Nominations for the Appointment of Employees' Representatives for a Supervisory Board with 12 Members

Where the Supervisory Board of SAP SE consists of twelve members and consequently six Employees' Representatives, the nominations for the appointment of the Employees' Representatives on the Supervisory Board of SAP SE shall be governed by the following provisions:



3.4.1 The SE Works Council shall allocate the seats for the Employees' Representatives on the new Supervisory Board of SAP SE to the individual Countries in due time prior to the end of the ordinary term of office of the Employees' Representative on the Supervisory Board, but no later than nine months before the appointment of the new Employees' Representatives.

The first four of the Employee Seats shall be allocated in proportion to the numbers of SAP Employees employed in the individual Countries (d'Hondt method). The number of SAP Employees as at the end of the next to last calendar month before the Employee Seats are allocated by the SE Works Council shall be decisive.

The fifth seat shall go to an SE Works Council member determined by the SE Works Council from a country that in the allocation process for the first four seats according to the d'Hondt method was not allocated a seat. The sixth seat shall go to another SE Works Council member determined by the SE Works Council. The substitutes for the Employees' Representatives for the fifth and sixth seats shall also be determined by the SE Works Council from among the members of the SE Works Council, if possible from the same Country as the Employees' Representative.

3.4.2 In respect of the seats among the first four Employee Seats allocated to Germany, the nominations for Employee Representatives are made by direct vote of all SAP Employees with their principal place of employment in Germany. The provisions of the Third Election Ordinance of the Participation Act 1976 (*Dritte Wahlordnung zum Mitbestimmungsgesetz 1976*) ("**3. WO**") shall apply *mutatis mutandis* to the direct vote, subject to rules of this Employee Involvement Agreement and the following provisions:

- The vote is direct, a vote through delegates is not permitted;
- The vote is done by absentee voting only and follows in each of the ballots the principles of majority vote, a vote on the basis of lists is excluded for each of the ballots;
- Every second seat for Germany is reserved for representatives of the Group Works Council. Only the Group Works Council is eligible to propose candidates for these seats, and the candidates are from among SAP Employees with the exception of the executive employees. The election proposal from the Group Works Council must have at least twice as many candidates (and personal substitutes) as seats are reserved for the Group Works Council. The election of the supervisory board members for the seats reserved for the Group Works Council takes place in a ballot separate from the general employees representatives ballots, but at the same time;
- Employees, executive employees and trade unions represented in SAP Group may make election proposals for the remaining seats. Election proposals of the employees require 100 supporting signatures of employees, election proposals of executive employees will be determined via pre-election. Each proposal for election may list one or two candidates for the office of employees' representative in the supervisory board but must list for each candidate a personal substitute; each trade union can make one election proposal.
- Executive employees and trade unions are not entitled to reserved seats on the supervisory board of SAP SE;
- For the pre-election regarding the determination of the election proposals for the executive employees the provisions of the 3. WO, Section 3 Subsection 3 will apply subject to the election committee organizing the elections. The two candidates with the best ranking and their substitutes are nominated for the elections.
- Except for the separate ballot for the representatives of the Group Works Council, there are no other separate ballots;
- On the ballot card, the election committee shall list, for each ballot separately, all properly proposed candidates and their respective substitutes observing the listing requirements in Section 44 (2) 3. WO in alphabetical order of the candidate's last name. In respect of proposals from trade unions, the ballot card shall indicate the trade union which has proposed the candidate and their respective substitute;
- The election committee is determined by the group works council. It shall exercise all duties assigned to election committees by the 3. WO.

- 3.4.3 For Countries other than Germany, the procedure for determining the nominations for the first four Employee Seats shall be governed by the relevant national provisions on the election or appointment of the Employees' Representative on the Supervisory Board applicable in the individual Countries from which the Employees' Representatives are to be determined. To the extent that the Countries do not provide for rules on the determinations for the seats allocated to them, the right to nominate shall rest with the SE Works Council.
- 3.4.4 The procedure of nominating and appointing the Employees' Representative on the Supervisory Board shall be completed in due time prior to the general meeting of shareholders that appoints the shareholders' representatives on the new Supervisory Board. The last meeting of the SE Works Council prior to this general meeting of shareholders is to be scheduled accordingly.

## **4 Term of Office of the Employees' Representatives**

### **4.1 Duration of the term of office**

- 4.1.1 The appointment of the Employees' Representatives on the Supervisory Board of SAP SE shall, subject to the provisions for the Employees' Representatives of the first Supervisory Board of SAP SE pursuant to Part II Clause 3.2, take effect at the same time at which the appointment of the shareholders' representatives on the Supervisory Board takes effect. The term of office of the Supervisory Board members shall be governed by the Statutes, with the Employees' Representatives and the shareholders' representatives being appointed for the same term of office, subject to the provisions for the Employees' Representatives of the first Supervisory Board of SAP SE pursuant to Part II Clause 3.2.
- 4.1.2 Employees' Representatives on the Supervisory Board may be re-appointed.
- 4.1.3 Changes in the numbers of employees after the Employee Seats on the Supervisory Board have been allocated or during the term of office of the Employees' Representatives shall not lead to a change in the allocation of Employee Seats on the Supervisory Board of SAP SE.
- 4.1.4 The term of office of an Employees' Representative on the Supervisory Board shall end prematurely upon the Employees' Representative's ceasing to be an employee of SAP Group. The resumption or the loss of a qualification as executive employee, the assumption or the loss of office as works council member, and/or the assumption of or resignation from an office as SE WoC member shall not affect the office as an Employees' Representative on the Supervisory Board.
- 4.1.5 To the extent that substitutes have been appointed or determined, they succeed the relevant Employees' Representative on the Supervisory Board if such Employees' Representative's term of office has ended prematurely. If an Employees' Representative's term of office has ended prematurely without the Employees' Representative being succeeded by a substitute, the SE Works Council shall determine and appoint a successor and a personal substitute from the same Country and for the remaining ordinary term of office of the Employees' Representatives whose office has ended.

In case of a replacement of the ninth seat in case of an 18 member supervisory board or the fifth or the sixth seat in case of a twelve member supervisory board, the SE Works Council remains entitled to use discretion within the rules of Part II Clause 3.3.1, last paragraph, resp. Clause 3.4.1, last paragraph when determining and appointing the new Employees Representative and his substitute.

### **4.2 Revocation of Appointment, Removal and Challenge**

- 4.2.1 An Employees' Representative may be removed from the Supervisory Board of SAP SE before his term of office has expired by the SE Works Council only upon application of a body authorized to make such application. The only body authorised to make such application is the body that nominated the Employees' Representative for appointment by the SE Works Council or, in the case of a direct election, the majority of the employees entitled to vote. In respect of the request for removal of an Employees' Representative from Germany, Section 23 (1) No. 1 and 2, (3) and (4) of the Participation Act 1976 and Sections 88 to 91, Sections 92 to 93 and Section 97 of the Third Election Ordinance of the Participation Act 1976 apply *mutatis mutandis*.

The SE Works Council shall remove the Employees' Representative in respect of whom a proper removal application has been made.

- 4.2.2 The removal procedure under Section 103 (3) of the German Stock Corporation Act (*Aktiengesetz – AktG*) in conjunction with Article 9 (1) (c) ii) of Council Regulation (EC) No. 2157/2001 of 8 October 2001 on the Statute for a European Company (SE) shall remain unaffected.
- 4.2.3 The election of an Employees' Representative may be challenged if material provisions on the right to vote, eligibility or the election procedure have been violated and such violation has not been remedied, unless the violation could not have changed or influenced the voting results. A challenge may be raised by the SE Works Council or by the Executive Board of SAP SE, and in respect of Employees' Representatives from Germany also the bodies and employee quotas referred to in Section 22 (2) No. 1 to 7 of the Participation Act 1976. The challenge must be raised within one month of the SE Works Council's appointment resolution. The court of exclusive jurisdiction shall be the Employment Court of Mannheim.

## **5 Rights of the Employees' Representatives**

### **5.1 General**

The Employees' Representatives on the Supervisory Board of SAP SE shall have the same rights and duties as the Supervisory Board members who represent the shareholders. This applies also to the confidentiality obligations under stock corporation law.

### **5.2 Prohibition of Discrimination, Protection of the Employees' Representatives**

The provisions in Part I Clause 10 regarding members of the SE Works Council shall apply accordingly to Employees' Representatives on the Supervisory Board of SAP SE.

### **5.3 Absence from Work**

The Employees' Representatives on the Supervisory Board of SAP SE shall be released from their work without any reduction in their remuneration to the extent that such release is required for the proper performance of their work as Employees' Representatives (including attendance of the meetings of the Supervisory Board, the preparatory meetings of the Employees' Representatives, the general shareholders meetings of SAP SE and the SE Works Council and training and education activities as provided for in Clause 5.4 below).

### **5.4 Training and Education**

After consultation with the Chairperson of the Supervisory Board, Employees' Representatives on the Supervisory Board of SAP SE may take part in training and education events to the extent these promote abilities required for their work as Employees' Representative on the Supervisory Board of SAP SE. This may include English and German language courses. Operative necessities must be taken into consideration when planning such events. Necessary event fees and costs shall be borne by SAP SE.

### **5.5 Preparatory meetings for Supervisory Board meetings**

If possible, the Employees' Representatives on the Supervisory Board of SAP SE should prepare each meeting of the Supervisory Board in a preparatory meeting. Upon the Employees' Representatives' request, the Executive Board of SAP SE shall discuss its submissions to the Supervisory Board with the Employees' Representatives in the preparatory meeting. As a rule, the Executive Board shall be represented in preparatory meetings of the Employees' Representatives by the Executive Board member responsible for labour and social affairs (see Part II, Clause 8 of this Agreement).

### **5.6 Director's & Officer's Liability Insurance**

For each employee representative on the Supervisory Board, the company shall provide the same third-party insurance coverage that is provided for the shareholders' representatives. The required costs shall be borne by SAP SE, to the extent legally permitted.

## **6 Internal Organization of the Supervisory Board**

- 6.1 The Supervisory Board elects a Chairperson and one or two deputy Chairpersons for a term corresponding to their office term on the Supervisory Board. One of the deputy Chairpersons shall be elected on proposition of the employee representatives.



## 6.2 Committees of the Supervisory Board

6.2.1 The Supervisory Board committees should not comprise more than eight members; the Supervisory Board's right to organize its own affairs (*Selbstorganisationsrecht*) shall remain unaffected.

6.2.2 The Supervisory Board committees should have equal representation of shareholders' representatives and employee representatives, unless a deviating composition of the respective committee is required or appropriate because of the topics allocated to the respective committee, the law or the provisions of the German Corporate Governance Code.

6.2.3 The deputy Chairperson of the Supervisory Board who has been elected upon proposal of the employee representatives should be a member of the committee coordinating the work of the Supervisory Board and preparing its meetings, provided such a committee is established. The Supervisory Board's right to organize its own affairs (*Selbstorganisationsrecht*) shall remain unaffected.

## 6.3 Business transactions requiring the approval of the Supervisory Board

Notwithstanding the right of the Supervisory Board to organize its own affairs (Section 19 SEAG) and stipulations in the articles of association in this regard, the Supervisory Board should stipulate that business operations of fundamental importance shall be subject to Supervisory Board approval. Such business operations of fundamental importance include any decisions or measures which could have a significant effect on the company's assets, finances or earnings.

## 6.4 Languages and translations

The official language in meetings the Supervisory Board should be German. Interpretation shall be made available for the meetings of the Supervisory Board. On request, each member of the Supervisory Board shall be provided with translations of submissions (motions), reports and other documents in his or her native language, to the extent such translation is required to follow the discussions.

## 7 Information given to the Supervisory Board by the Executive Board

Notwithstanding the existing approval requirements of the Supervisory Board and the reporting obligations of the Executive Board vis-à-vis the Supervisory Board as stipulated in Article 41 of the SE Regulation and in Section 90 of the German Stock Corporation Act (AktG), after consultation with the chairperson of the Supervisory Board, the Executive Board shall inform the Supervisory Board about any crucial business matters which could affect corporate policies, the financial situation of the company or the employee interests. These include any re-organization and restructuring measures which have a significant effect on the employment situation of the Group.

## 8 Executive Board Member for Labour and Social Affairs

One of the members of the Executive Board of SAP SE shall be responsible for "labour and social affairs" as well. This member shall use the official title "labour director". The appointment of the member responsible for "labour and social affairs" shall be subject to Supervisory Board approval.

## Part III: Miscellaneous

### 1 Duration of the Agreement

#### 1.1 Entry into Force

This Agreement shall enter into force upon the registration of the conversion of SAP AG into an SE with the commercial register. Regarding the temporarily appointed Employee Representatives on the first Supervisory Board of SAP SE (Part II, Clause 3.2.1) the Agreement shall enter into force with the signing, but not before the appointment of the shareholders' representatives becomes effective.

#### 1.2 Term and Termination

This Agreement is entered into for an indefinite term. The Executive Board of SAP SE and the SE Works Council may each give written notice of termination, earliest in calendar year 2020, with a notice period of twelve months to the end of a year. A notice of termination being limited to either Part I or Part II is permitted.

#### 1.3 Legal Consequences of Termination

If, after notice of termination pursuant to Part III Clause 1.2 (be it notice of a partial termination or notice of termination of the whole Agreement) was given, a new agreement is not entered into by the expiry of the notice period, the terminated provisions of this Agreement shall continue to apply until they have been replaced by a new agreement, but no longer than for a period of two years after the termination has become effective ("**Period of After Effect**"). If the Parties fail to enter into a new agreement within the Period of After Effect, the statutory standard rules applicable of the SEBG as amended from time to time shall apply in relation to the terminated part of this Agreement.

The SE Works Council holding office when the new agreement enters into force or when the Period of After Effect ends shall remain in office transitionally, with the information and consultation rights provided for in this Agreement, until the constitutive meeting of the new SE Works Councils or – if a new agreement on the involvement of employees does not provide for the formation of an SE Works Councils – until an alternative information and consultation procedure takes effect. The transitional office applies accordingly to the Select Committee.

A new agreement on the involvement of the employees in SAP SE or – if the Parties fail to enter into a new agreement – the statutory standard rules shall not take effect in relation to the subject-matters provided for in Part II of this Agreement until the ordinary term of office of the Employees' Representative on the Supervisory Board of SAP SE appointed pursuant to Part II of this Agreement has expired. The election or appointment of the new Employees' Representatives, however, shall be governed by the new agreement on the involvement of the employees in SAP SE or – if the Parties fail to enter into a new agreement – the statutory standard rules.

#### 1.4 Amendments to this Agreement

This Agreement may be amended or supplemented by mutual agreement between the Executive Board of SAP SE and the SE Works Council. Amendments and supplements shall be only valid if made in writing.

### 2 Reopening of the Negotiations

If negotiations are re-opened pursuant to Section 18 (3) of the SEBG, the negotiations shall be conducted between the Executive Board of SAP SE and – instead of the Special Negotiating Body to be newly composed – the SE Works Council together with representatives of the employees affected by the planned structural changes who have not been represented in the SE Works Council so far.

### 3 German law, Language and Place of Jurisdiction

This Agreement on the Involvement of Employees in SAP SE is governed by German law. The German version shall be binding.

The Employment Court of Mannheim shall have exclusive jurisdiction over any requests or disputes arising from or in connection with this Agreement.



Walldorf, 10 March 2014

SAP AG

*Dr. Werner Brandt*  
(Executive Board member)

*Michael Junge*  
(Prokurist)

On behalf of the Special Negotiating Body

*Stefan Kohl*

*Catherine Bordelon*

*Evert-Jan Tromp*

## Annex 1 to the Agreement on the Involvement of Employees in SAP SE

<b>Member state</b>	<b>Seats on the SE Works Council</b>
Belgium	1
Bulgaria	1
Denmark	1
Germany	7
Estonia	1
Finland	1
France	1
Greece	1
Ireland	1
Italy	1
Croatia	1
Latvia	1
Lithuania	1
Luxembourg	1
The Netherlands	1
Norway	1
Austria	1
Poland	1
Portugal	1
Romania	1
Sweden	1
Slovakia	1
Slovenia	1
Spain	1
Czech Republic	1
Hungary	1
United Kingdom	1
Cyprus	1
<b>Total</b>	<b>34</b>

## Annex 2

### Memorandum of Proceedings in respect of Part I, Clause 2.1.1 of the Agreement

Pursuant to Part I, Clause 2.1.1 of the Agreement, a country within the Scope of the Agreement with less than ten SAP Employees may, rather than elect or appoint its own SE Works Council member, request to be represented in the SE Works Council by another country (“**Representation Request**”). Insofar, the following rules of procedure shall apply:

- 1 Any SAP Employee in a country within the Scope of the Agreement (“**Represented Country**”) with less than ten SAP Employees may propose that this country not be represented in the SE Works Council by its own member but by another country (“**Representation Proposal**”). The Representation Proposal shall be addressed to and decided upon by the same body and/or quorum of employees of the Represented Country that under local law may elect or appoint an SE Works Council member, observing the same process and procedural requirements that under local law apply to the election or appointment of an SE Works Council member.
- 2 The Representation Proposal is rejected if the Represented Country elects or appoints its own SE Works Council member under applicable local law. The Representation Proposal is accepted if it meets the quorum and majority required for the election or appointment of a SE Works Council member.
- 3 Where the Representation Proposal has not specified the country to be entrusted with the representation (“**Representing Country**”), a second process shall commence to elect or appoint the Representing Country. Clauses 1 and 2 above shall apply *mutatis mutandis*. This second process shall commence as soon as practically possible after the results of the election to the SE Works Council have been communicated.
- 4 The Representing Country must be a country within the Scope of the Agreement. Without undue delay after the Representing Country has been decided upon pursuant to Clauses 2 or 3 above, the body respectively quorum of employees of the Represented Country competent to elect or appoint an SE Works Council member under local law shall issue the Representation Request in text form to the respective competent body or quorum of employees of the Representing Country. The Representing Country may not reject the Representation Request.
- 5 The representation remains in force for the term of office of the SE Works Council. Where during such term the number of SAP Employees in the Represented Country equals or increases ten, the Represented Country may elect or appoint, for the remainder of the term of office of the SE Works Council, its own SE Works Council member. Upon such member being elected or appointed, the representation by the Representing Country ceases.
- 6 The communication for the preparation of new elections and appointments for the SE Works Council to be sent out by Central Management together with the Chairperson of the Special Negotiation Body and/or the SE Works Council pursuant to Part I Clause 2.1.1 shall inform about the Represented Countries with less than ten SAP Employees and the possibility of a Representation Proposal.