

SAP AG

General Meeting of Shareholders

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

CONVERSION PLAN

concerning the change of legal form of SAP AG, having its registered office in Walldorf, Germany, to a *Societas Europaea* ("SE")

Preamble

SAP AG ("**SAP AG**" or the "**Company**") is a stock corporation (*Aktiengesellschaft*) under German law having its registered office and head office in Walldorf, Germany. It is registered in the commercial register of the Local Court (*Amtsgericht*) of Mannheim under HRB 350269. Its business address is Dietmar-Hopp-Allee 16, 69160 Walldorf, Germany. SAP AG is the parent company of the SAP group, an international producer and distributor of enterprise application software. SAP AG holds the shares in the companies of the SAP group either directly or indirectly.

As of today's date, SAP AG has a capital stock of € 1,228,504,232.00, which is divided into the same number of no-par value shares. The pro rata amount of SAP AG's capital stock represented by each share is € 1.00. In accordance with Section 4 (2) of SAP AG's Articles of Incorporation, the shares are bearer shares.

SAP AG is to be converted, in accordance with Article 2 (4) in conjunction with Article 37 of Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European Company (SE) (the "**SE Regulation**"), to a European Company (*Societas Europaea*, SE). In addition, the conversion will be governed by the provisions of the German Act Implementing Council Regulation (EC) No 2157/2001 of October 8, 2001 on the Statute for a European Company (SE) (*Gesetz zur Ausführung der Verordnung (EG) Nr. 2157/2001 des Rates vom 8. Oktober 2001 über das Statut der Europäischen Gesellschaft (SE) – SE-Ausführungsgesetz; "SE-AG"*) of December 22, 2004 and the German Act on the Involvement of Employees in European Companies (*Gesetz über die Beteiligung der Arbeitnehmer in einer Europäischen Gesellschaft – SE-Beteiligungsgesetz; "SEBG"*) of December 22, 2004.

The Company is to maintain its registered office and head office in Germany.

The legal form of the SE is the only supranational legal form under European law available to a listed company which has its registered office in Germany. The proposed change of legal form from a stock corporation (*Aktiengesellschaft*) to a European Company is to manifest SAP's self-image as an international player with European roots. Presenting itself as a European Company thus reflects the importance of the Company's European and international operations. The legal form of the European Company also enables the Company to develop, together with representatives of the European workforce, a model for the involvement of the employees which is tailored to the needs of the Company. It can thus be ensured that both the corporate governance structure of SAP and the work of its corporate organs are optimized. An important step in this development is the opportunity to be able to limit the size of the Supervisory Board to 18 members (and possibly to 12 members in the future – see Section 7.4 below). Without the change of legal form to the SE, in contrast, a larger Supervisory Board comprising 20 members would be inevitable having regard to the development of the number of German employees, which would adversely affect the efficiency of the work of the Supervisory Board. Following the change of legal form to the SE, the Supervisory Board will continue to be composed of an equal number of shareholders' and employees' representatives, i.e. half of its members will be employees' representatives. However, these representatives will in future not be – directly or indirectly – exclusively appointed by the German employees of the SAP group and the German trade unions, but also – directly or indirectly – with the involvement of the employees and trade unions from other member states of the European Union ("**EU**") and the signatory states to the Agreement on the European Economic Area ("**EEA**"). The legal form of a European Company thus presents an opportunity for the Company to reflect its international character even more strongly in the future also with regard to the employees' representatives on the Supervisory Board.

The Executive Board of SAP AG has therefore drawn up the following Conversion Plan:

1. Conversion of SAP AG to SAP SE

In accordance with Article 2 (4) in conjunction with Article 37 of the SE Regulation, SAP AG will be converted to a European Company (*Societas Europaea*, SE).

SAP AG has for many years had numerous subsidiaries which are governed by the laws of other EU member states, including SAP Österreich GmbH, having its registered office in Vienna, Austria, registered in the commercial register (*Firmenbuch*) of the Commercial Court (*Handelsgericht*) of Vienna, Austria, under number



FN 80230 k, which became a member of the SAP group in 1986 and has been a direct wholly owned subsidiary of SAP AG since 1992. Since SAP AG has thus had a subsidiary which is governed by the laws of another member state for more than two years, the requirements for the conversion of SAP AG to SAP SE pursuant to Article 2 (4) of the SE Regulation have been fulfilled.

The conversion of SAP to an SE will lead neither to the liquidation of SAP AG nor to the formation of a new legal entity. Since the identity of the legal entity itself will be preserved, no transfer of assets will take place. The Company will continue to exist in the legal form of SAP SE. Moreover, since the identity of the legal entity itself will be preserved, the shareholders' interests in the Company will continue to exist without change.

Like SAP AG, SAP SE will have a two-tier management structure, comprising an Executive Board (management organ within the meaning of Article 38 of the SE Regulation) and a Supervisory Board (supervisory organ within the meaning of Article 38 of the SE Regulation).

2. Effective date of the conversion

The conversion will become effective upon registration in the commercial register for SAP AG (the "**Conversion Date**").

3. Name, registered office, capital and Articles of Incorporation of SAP SE

- 3.1 The name of the SE is "SAP SE".
- 3.2 The registered office of SAP SE and its head office are in Walldorf, Germany.
- 3.3 The entire capital stock of SAP AG, in the amount existing on the Conversion Date (currently € 1,228,504,232.00) and as divided into no-par value bearer shares on that date (currently 1,228,504,232), will form the capital stock of SAP SE. The persons and companies who are shareholders of SAP AG on the Conversion Date will become shareholders of SAP SE holding the same amounts of capital stock of and the same amount of no-par value bearer shares in SAP SE as they did in respect of SAP AG immediately prior to the Conversion Date. The notional portion of capital stock represented by each no-par value share (currently € 1.00) will remain the same as immediately prior to the Conversion Date.
- 3.4 SAP SE will adopt the Articles of Incorporation attached hereto as an **Annex**, which form an integral part of this Conversion Plan. However, the special provisions set out in Section 3.5 below apply in respect of Section 4 (1) and (5) through (8).
- 3.5 In the Articles of Incorporation of SAP SE, and in each case on the Conversion Date
 - (a) the amount of capital stock of and its division into no-par value shares in SAP SE (Section 4 (1) of the Articles of Incorporation of SAP SE) corresponds to the amount of capital stock of and its division into no-par value shares in SAP AG (Section 4 (1) of the Articles of Incorporation of SAP AG);
 - (b) the amount of authorized capital pursuant to Section 4 (5) of the Articles of Incorporation of SAP SE corresponds to the amount of the remaining authorized capital pursuant to Section 4 (5) of the Articles of Incorporation of SAP AG;
 - (c) the amount of authorized capital pursuant to Section 4 (6) of the Articles of Incorporation of SAP SE corresponds to the amount of the remaining authorized capital pursuant to Section 4 (6) of the Articles of Incorporation of SAP AG;
 - (d) the amount and number of shares of the contingent capital pursuant to Section 4 (7) of the Articles of Incorporation of SAP SE correspond to the amount and number of shares of the remaining contingent capital pursuant to Section 4 (7) of the Articles of Incorporation of SAP AG;
 - (e) the amount of authorized capital pursuant to Section 4 (8) of the Articles of Incorporation of SAP SE corresponds to the amount of the remaining authorized capital pursuant to Section 4 (8) of the Articles of Incorporation of SAP AG,

with the status existing immediately prior to the Conversion Date being decisive in each case. In this regard, the contingent capital of SAP AG as resolved by the General Meeting of Shareholders on May 25, 2011 – to the extent still existing immediately prior to the Conversion Date – will continue to exist as contingent capital of SAP SE.



The Supervisory Board of SAP SE is authorized and at the same time instructed to make any amendments ensuing from this Section 3.5 in respect of the amounts specified therein and the different types of capital, as well as any amendments as the register court may require as a condition for registering the conversion to the attached version of the Articles of Incorporation of SAP SE before the conversion is registered in the commercial register for SAP AG, provided in each case that they only relate to the wording.

- 3.6 The authorization granted by the General Meeting of Shareholders on June 4, 2013 to purchase and use treasury shares in accordance with Section 71 (1) no. 8 of the German Stock Corporation Act (*Aktiengesetz*; "**AktG**"), with the possible exclusion of shareholders' subscription rights and any shareholders' rights to offer shares, will continue to apply until June 3, 2018, and will thus, potentially, also apply for the Executive Board of SAP SE, provided that the conversion of SAP AG to an SE has been completed by this date.
- 3.7 The authorization granted by the General Meeting of Shareholders on May 25, 2011 to issue convertible bonds and warrant-linked bonds and to exclude the shareholders' subscription rights in this context will continue to apply until May 24, 2016, and will thus, potentially, also apply for the Executive Board of SAP SE, provided that the conversion of SAP AG to an SE has been completed by this date.
- 3.8 Shareholders who object to the conversion will not be offered any compensation in cash, as this is not provided for by law.

4. Executive Board

Without prejudice to the decision-making competence under corporate law of the Supervisory Board of SAP SE, it is expected that the following current members of the Executive Board of SAP AG will be appointed members of the Executive Board of SAP SE: William Richard (Bill) McDermott (CEO), Gerhard Oswald and Dr Vishal Sikka. Furthermore, without prejudice to the decision-making competence under corporate law of the Supervisory Board of SAP SE, Luka Mucic, who was appointed member of the Executive Board of SAP AG with effect as of July 1, 2014, is also expected to be appointed member of the Executive Board of SAP SE. Dr Werner Brandt's term of office will expire on June 30, 2014; he is scheduled to resign from the Executive Board at the end of June 30, 2014, i.e. prior to the anticipated effective date of the change of legal form.

5. Supervisory Board

- 5.1 Pursuant to Section 10 of the Articles of Incorporation of SAP SE (see the **Annex**), a Supervisory Board will be set up at SAP SE which will no longer comprise 16 members, as is currently the case with SAP AG, but will instead comprise 18 members. Of the 18 members, nine will be employees' representatives. The selection and appointment of such members is governed by the agreement on the involvement of employees in the SE ("**SAP Agreement on Employee Involvement**") concluded on March 10, 2014 in accordance with the SEBG.
- 5.2 The terms of office of both the shareholders' representatives and the employees' representatives on the Supervisory Board of SAP AG will end once the conversion has taken effect, i.e. upon registration of the conversion in the commercial register for SAP AG.

The nine shareholders' representatives on the first Supervisory Board of SAP SE are to be elected by the General Meeting of Shareholders of SAP AG on May 21, 2014. In this regard, the Supervisory Board proposes to the above-mentioned General Meeting of Shareholders under Item 8 lit. b) on the agenda to appoint the following persons as members of the first Supervisory Board of SAP SE, with the General Meeting of Shareholders not being bound by these nominations:

- (a) Prof. Dr h. c. mult. Hasso Plattner,
resident in Schriesheim, Germany,
Chairman of the Supervisory Board of SAP AG,
- (b) Pekka Ala-Pietilä,
resident in Helsinki, Finland,
Chairman of the Board of Directors of Solidium Oy, Helsinki, Finland,
- (c) Prof. Anja Feldmann, Ph.D.,
resident in Berlin, Germany,
Professor at the Electrical Engineering and Computer Science Faculty (Chair of Intelligent Networks and Management of Distributed Systems) at the Technische Universität Berlin, Germany,



- (d) Prof. Dr Wilhelm Haarmann,
resident in Kronberg im Taunus, Germany,
Attorney-at-law, certified public auditor, certified tax advisor, partner of Linklaters LLP
Rechtsanwälte Notare Steuerberater, Frankfurt am Main, Germany,
- (e) Bernard Liautaud,
resident in London, United Kingdom,
General Partner at Balderton Capital, London, United Kingdom,
- (f) Dr h. c. Hartmut Mehdorn,
resident in Frankfurt am Main, Germany,
CEO of Flughafen Berlin Brandenburg GmbH, Berlin, Germany,
- (g) Dr Erhard Schipporeit,
resident in Hanover, Germany,
Independent Management Consultant,
- (h) Jim Hagemann Snabe,
resident in Copenhagen, Denmark,
co-CEO of SAP AG (up to the close of the annual General Meeting of Shareholders on May 21, 2014)
and Managing Director of Snabe ApS, Copenhagen, Denmark,
- (i) Prof. Dr-Ing. Dr-Ing. E. h. Klaus Wucherer,
resident in Ungelstetten, Germany,
Managing Director of Dr. Klaus Wucherer Innovations- und Technologieberatung GmbH,
Erlangen, Germany.

The first employees' representatives on the first Supervisory Board of SAP SE have already been appointed under the SAP Agreement on Employee Involvement (see Section 7.4).

6. Information as regards the procedure for the agreement on the involvement of employees in SAP SE

6.1 Principles on the involvement of the employees in SAP SE

- (a) The involvement of the employees in SAP SE was determined by means of the procedure as provided for in the German Act on the Involvement of Employees in a European Company (*Gesetz über die Beteiligung der Arbeitnehmer in einer Europäischen Gesellschaft - SE-Beteiligungsgesetz*; "**SEBG**"). Pursuant to the SEBG, negotiations are provided for which are to be held between the management of the company involved in the formation of the SE – in the present case the Executive Board (*Vorstand*) of SAP AG – and the employees, who are represented in this regard by a Special Negotiating Body (the "**SNB**") which is determined by them or their representations (as regards the negotiating procedure see Section 6.4). The members of the SNB are representatives of the employees employed in an EU member state or in an EEA contract state ("**Member State**") with a company directly involved in the conversion – in the present case SAP AG – or its subsidiaries and establishments. The number of the seats in the SNB which is allocated to the single Member States is determined pursuant to the provisions of the SEBG in line with the number of employees employed in the Member State concerned (see Section 6.3).
- (b) The aim of the negotiating procedure is to reach an agreement on the involvement of employees in SAP SE which, in the present case, was entered into on March 10, 2014 (SAP Agreement on Employee Involvement). As regards the terms of the SAP Agreement on Employee Involvement see Section 6.4(a). In this context, the following terms have the meaning as set out below:
 - Involvement of the employees: Any procedure – including information, consultation, and participation – by means of which the employees' representatives can exercise influence on the Company's resolutions.
 - Rights of involvement: Rights to which the employees and their representatives are entitled as regards information, consultation, participation, and other involvement. This may include such rights being exercised in group companies of the SE.

- Information: The SE Works Council or other employees' representatives being informed by the management of the SE on matters affecting the SE itself or one of its subsidiaries or establishments in another Member State or exceeding the powers of competent organs at the level of the single Member State. The time, form, and contents of such information are to be selected in such form that the employees' representatives can examine in detail the effects to be expected and, if required, can prepare a consultation with the management of the SE.
- Consultation: The establishment of a dialogue and an exchange of opinion between the SE Works Council or other employees' representatives and the management of the SE or another management level which is competent and has decision-making powers. The time, form, and contents of the consultation shall allow the SE Works Council to make a statement, on the basis of the information provided, as regards the measures planned by the management of the SE, which can be taken into account in the course of the decision-making process within the SE.
- Participation: Influence exercised by the employees on matters of a company (i) by exercising the right to elect or appoint some of the members of the company's supervisory or administrative organs or (ii) by exercising the right to recommend or reject the appointment of some or all of the members of the company's supervisory or administrative organs.

6.2 Institution of the negotiating procedure

The procedure for agreeing upon the involvement of the employees was instituted in line with the provisions of the SEBG. Pursuant thereto, it is provided for that the management of the company involved in the conversion – in the present case the Executive Board of SAP AG – initially informs the employees or their representatives about the planned conversion and requests them to establish an SNB.

Pursuant to Section 4 SEBG, the information to be provided to the employees' representations or the employees, respectively, included (i) the identity and structure of the company involved in the conversion – in the present case SAP AG – and of its subsidiaries and establishments affected by the conversion and in which Member States they are located, (ii) the employees' representations existing in these companies and establishments, (iii) the number of employees employed with the companies and establishments at the time the information is provided and, determined on that basis, the total number of employees employed in a Member State, and (iv) the number of employees who are entitled at the time the information is provided to participation rights in the organs of the companies concerned.

The Executive Board of SAP AG informed the employees' representations or the employees, respectively, in Germany and in the Member States in which SAP has employees with the letter dated June 3, 2013 about the planned conversion of SAP AG to the legal form of an SE and requested them to establish an SNB. Following the acquisition of the participation in the Swiss hybris AG, the Executive Board of SAP AG informed the employees' representations or the employees, respectively, with the letter dated August 9, 2013 about this and the planned conversion to the legal form of an SE and, to the extent that the determination of the national SNB members was not yet completed, requested them again to elect or appoint, respectively, the SNB members.

6.3 Establishment and composition of the SNB

The establishment and composition of the SNB of SAP AG are stipulated in Section 5 (1) SEBG.

For the employees of the relevant company – in the present case SAP AG – employed in the single Member States and of its subsidiaries and establishments having employees in the Member States, members of the SNB are elected or appointed. For each share of the employees employed in a certain Member State which accounts for 10% of the total number of the employees employed in all Member States with the company concerned and its subsidiaries or establishments or for a fraction thereof, one member from such Member State is to be elected or appointed for the SNB.

At the time of the information being provided as specified in Section 6.2 above to the employees' representations and the employees on June 3, 2013, a total number of 30,340 employees were employed with companies of SAP AG and its subsidiaries in the Member States (including Germany) (the "SAP Group"). The number of the employees of the SAP Group and in which Member States they are located as well as the number of national SNB members determined on that basis are set out in the table below:

| Member State | Number of employees | Share in % | Number of seats seats in the SNB |
|----------------------|---------------------|------------|----------------------------------|
| Belgium | 264 | 0.870 | 1 |
| Bulgaria | 522 | 1.721 | 1 |
| Denmark | 197 | 0.649 | 1 |
| Germany | 19,934 | 65.702 | 7 |
| Estonia | 1 | 0.003 | 1 |
| Finland | 189 | 0.623 | 1 |
| France | 1,984 | 6.539 | 1 |
| Greece | 50 | 0.165 | 1 |
| Ireland | 1,183 | 3.899 | 1 |
| Italy | 572 | 1.885 | 1 |
| Croatia ¹ | 14 | 0.046 | 1 |
| Latvia | 3 | 0.010 | 1 |
| Lithuania | 2 | 0.007 | 1 |
| Luxembourg | 7 | 0.023 | 1 |
| Netherlands | 541 | 1.783 | 1 |
| Norway | 96 | 0.316 | 1 |
| Austria | 401 | 1.322 | 1 |
| Poland | 120 | 0.396 | 1 |
| Portugal | 149 | 0.491 | 1 |
| Romania | 288 | 0.949 | 1 |
| Sweden | 164 | 0.541 | 1 |
| Slovakia | 223 | 0.735 | 1 |
| Slovenia | 24 | 0.079 | 1 |
| Spain | 536 | 1.767 | 1 |
| Czech Republic | 866 | 2.854 | 1 |
| Hungary | 420 | 1.384 | 1 |
| United Kingdom | 1,588 | 5.234 | 1 |
| Cyprus | 2 | 0.007 | 1 |
| Total | 30,340 | 100 | 34 |

¹ Croatia has become a member of the European Union effective July 1, 2013. The Executive Board of SAP AG, thus, took into account, within the information dated June 3, 2013, the employees of the Croatian subsidiary in Croatia and provided the information also to such employees of the SAP Group.

Effective August 1, 2013, SAP Holdings (UK) Ltd., a newly established wholly-owned subsidiary of SAP Ireland (US) Financial Services Ltd. ("IRUSFS"), acquired an interest of 100% in hybris AG, which has subsidiaries having employees in the Member States, Germany, France, Italy, the Netherlands, Poland, Sweden, and the United Kingdom. SAP AG holds, through several other wholly-owned subsidiaries, all shares of IRUSFS. With the acquisition, hybris AG, thus, became an indirect wholly-owned subsidiary of SAP AG.



Given the acquisition of hybris AG and its subsidiaries (the “**hybris Group**”), the Executive Board of SAP AG provided further information in the letter dated August 9, 2013. Such information included inter alia the number of employees of the SAP Group, which changed as a result of the acquisition of the hybris Group, and in which Member States they are located, as set out in the table below. However, the change of the number of the employees, which resulted from the hybris Group joining, did not affect the allocation of seats in the SNB, as can be seen in the table:

| Member State | Number of employees | Share in % | Number of seats seats in the SNB |
|---------------------|----------------------------|-------------------|---|
| Belgium | 264 | 0.86 | 1 |
| Bulgaria | 522 | 1.70 | 1 |
| Denmark | 197 | 0.64 | 1 |
| Germany | 20,155 | 65.48 | 7 |
| Estonia | 1 | 0.003 | 1 |
| Finland | 189 | 0.61 | 1 |
| France | 2,006 | 6.52 | 1 |
| Greece | 50 | 0.16 | 1 |
| Ireland | 1,183 | 3.84 | 1 |
| Italy | 579 | 1.88 | 1 |
| Croatia | 14 | 0.05 | 1 |
| Latvia | 3 | 0.01 | 1 |
| Lithuania | 2 | 0.01 | 1 |
| Luxembourg | 7 | 0.02 | 1 |
| Netherlands | 550 | 1.79 | 1 |
| Norway | 96 | 0.31 | 1 |
| Austria | 406 | 1.32 | 1 |
| Poland | 237 | 0.77 | 1 |
| Portugal | 149 | 0.48 | 1 |
| Romania | 288 | 0.94 | 1 |
| Sweden | 172 | 0.56 | 1 |
| Slovakia | 223 | 0.72 | 1 |
| Slovenia | 24 | 0.08 | 1 |
| Spain | 536 | 1.74 | 1 |
| Czech Republic | 866 | 2.81 | 1 |
| Hungary | 420 | 1.36 | 1 |
| United Kingdom | 1,640 | 5.33 | 1 |
| Cyprus | 2 | 0.01 | 1 |
| Total | 30,781 | 100 | 34 |

Luxembourg, Latvia, and Cyprus did not elect or appoint any members of the SNB and Austria, due to national provisions being opposed to this, did not nominate a member for the SNB, thus, the SNB – the employees of the hybris Group being taken into account – had 30 members.

To the extent that, during the SNB's activities, changes occur affecting the structure or the number of employees of the SAP Group employed in a single Member State in such form that the composition of the SNB would change, the SNB is to be re-established accordingly (Section 5 (4) SEBG). However, such changes did not occur during the SNB's activities, thus, no re-establishment was carried out.

6.4 Negotiating procedure and agreement on the involvement of employees in SAP SE

The management – in the present case the Executive Board of SAP AG – invites to the constitutive meeting of the SNB, when all members of the SNB have been determined or after expiration of ten weeks' time following the information being provided to the employees and the request being made to establish the SNB; this will also be made, if – due to fault on the employees' part – not all members of the SNB have been determined. On the date specified in the invitation, the six months' negotiating period pursuant to Section 20 SEBG commences, which may be extended by amicable agreement between the SNB and the management up to a total period of one year.

In its letters dated August 14, 2013 and August 26, 2013, the Executive Board of SAP AG invited to a first meeting of the SNB, to be held on September 9/10, 2013, the constitutive meeting being scheduled for September 9, 2013. The constitutive meeting took place on September 9, 2013. Thus, the negotiating period would have expired – unless an extension by up to six months had amicably been agreed upon – on Monday, March 10, 2014.

(a) Agreement on the involvement of employees

The aim of the negotiations is to reach an agreement on employee involvement with the content of Section 21 SEBG.

Pursuant thereto, an agreement on employee involvement is to stipulate in particular the following issues:

- Scope of the agreement on employee involvement (including the companies and establishments located outside the Member States' territory, if they are included in the scope of the agreement on employee involvement);
- if an SE Works Council is to be established:
 - composition of the SE Works Council: number of members, allocation of seats, including the effects of substantial changes to the number of employees of the SE;
 - powers and procedures for information of and consultation with the SE Works Council;
 - frequency of the meetings of the SE Works Council;
 - financial and material resources to be made available to the SE Works Council
- if no SE Works Council is to be established: terms for the implementation of the information and consultation procedures as regards the employees;
- if an agreement on participation is entered into:
 - number of the members of the supervisory organ of the SE who can be appointed or elected, respectively, by the employees or whose appointment can be rejected or recommended by the employees;
 - procedure by means of which the employees can elect or appoint these members or can reject or recommend the appointment;
 - the rights of these members;
- time when the agreement on employee involvement takes effect and its term;
- cases in which the agreement on employee involvement is to be re-negotiated and the approach to be taken in that regard.

Moreover, the agreement on employee involvement may include further provisions.

In the present case, the negotiating period pursuant to Section 20 (1) SEBG commenced with the constitutive meeting of the SNB. The negotiations were closed by the SAP Agreement on Employee

Involvement being entered into on March 10, 2014. The details for the establishment of the SE Works Council of SAP SE and its rights of involvement as well as the participation of the employees in the Supervisory Board of SAP SE are provided for therein.

(b) Costs of the negotiating procedure and the establishment of the SNB

The costs incurred due to the establishment and the activities of the SNB are borne by SAP AG or, following the conversion taking effect, by SAP SE, respectively. The duty to bear the costs refers to the material and personal costs related to the activities of the SNB, including the negotiations, in particular for rooms and equipment (such as telephone, fax, technical literature), interpretation and office staff in the context of the negotiations as well as the necessary travel and accommodation expenses of the SNB members.

(c) Involvement rights under national law and European Works Council

The conversion of SAP AG to SAP SE does not affect the in-house involvement rights to which the employees are entitled under national law. However, the European Works Council established at European level will cease to exist pursuant to Section 47 (1) no. 2 SEBG.

7. Other effects of the conversion concerning the employees and their representations

The following effects concerning the employees and their representations are given rise to by the conversion:

- 7.1 The rights and duties of the employees under the existing employment agreements remain applicable and unaffected. This also applies as regards the company involved itself; Section 613a of the German Civil Code (*Bürgerliches Gesetzbuch*; "**BGB**") is not applicable to the conversion since no transfer of an undertaking is effected due to the legal entities being identical.
- 7.2 The shop agreements, collective bargaining agreements, and other collective employment arrangements applicable to the employees of the SAP Group will remain applicable in the same form in line with the agreements concerned.
- 7.3 As regards the existing employees' representations in the companies and establishments of the SAP Group, the conversion will not give rise to any changes. The existing local and supralocal employees' representations are maintained. However, the European Works Council established at European level ceases to exist pursuant to Section 47 (1) sentence 2 SEBG and is replaced with the SE Works Council (cf. in this regard Section 6.4 (c)). The SE Works Council is competent, pursuant to Part I Clause 1.2 of the SAP Agreement on Employee Involvement, for transnational matters. It has 34 members from the area in which the SAP Agreement on Employee Involvement is applicable, i.e. the Member States in which SAP SE and its subsidiaries have employees. Pursuant to Part I Clause 2.1 of the SAP Agreement on Employee Involvement, Member States with less than ten employees can request to be represented by another Member State.
- 7.4 Upon the conversion, SAP SE will cease to be subject to the participation pursuant to the German Codetermination Act of 1976 (*Mitbestimmungsgesetz*; "**MitbestG 1976**"). Instead, the participation of the employees in the Supervisory Board of SAP SE will be subject to Part II of the SAP Agreement on Employee Involvement, which in this regard ensures the same scope of entrepreneurial participation as it is currently applicable in SAP AG. Thus, half of the members of the Supervisory Board of SAP SE will be employees' representatives (cf. Part II Clause 2.1 of the SAP Agreement on Employee Involvement). Pursuant to Part II Clause 2.2 of the SAP Agreement on Employee Involvement, the Supervisory Board of SAP SE will initially have 18 members, i.e. nine employees' representatives. Temporarily, until the close of the 2015 annual General Meeting of Shareholders, the following persons are appointed as members of the Supervisory Board pursuant to the SAP Agreement on Employee Involvement (Part II, Clause 3.2.1): Christiane Kuntz-Mayr and, as substitute, Christine Regitz (both Germany), Kurt Reiner and, as substitute, Sebastian Wagner (both Germany), Lars Lamadé and, as substitute, Stefan Hirschenberger (both Germany), Margret Klein-Magar and, as substitute, Ulrich Marquard (both Germany), Mario Rosa-Bian and, as substitute, Uwe Riegler (both Germany), Panagiotis Bissiritsas and, as substitute, Robert Kupler (both Germany), Stefan Schulz and, as substitute, Torsten Kipping (both Germany), Catherine Bordelon and, as substitute, Marc De Gibon (both France), and, in their capacity as members of the SNB, Steffen Leskovar (Slovenia) and, as substitute, Pascal Demat (Belgium).

The procedure for the determination of the employees' representatives on the first Supervisory Board of SAP SE for the time following the close of the 2015 annual General Meeting of Shareholders will commence without undue delay following the SAP Agreement on Employee Involvement taking effect. In this regard, the seats will be allocated as follows: Seven seats will be allocated to Germany, two thereof to union representatives, one to the executive employees, and one to a German member of the SE Works Council. According to Part II Clause 3.3.2 of the SAP Agreement on Employee Involvement, the first six employees' representatives allocated to Germany will be elected by the employees employed in Germany by direct vote. One seat will be allocated to France and another seat to a member of the SE Works Council from a country which is not represented by the other eight seats; this member will be determined by the SE Works Council.

As soon as all employees' representatives have been determined in line with this procedure, the SE Works Council shall appoint in its next regular meeting the so determined employees' representatives with effect as of the close of the 2015 annual General Meeting of Shareholders 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.

Pursuant to Part II Clause 2.2 of the SAP Agreement on Employee Involvement, the Articles of Incorporation of SAP SE may be amended to the effect that the Supervisory Board will have twelve members and, consequently, six employees' representatives. Such resolution amending the Articles of Incorporation may be adopted, pursuant to the SAP Agreement on Employee Involvement, at the earliest in the 2018 annual General Meeting of Shareholders (and may not take effect prior to the term of office commencing upon the close of the 2019 annual General Meeting of Shareholders) and, pursuant to the SAP Agreement on Employee Involvement, it will require an identical proposal as regards the amendment of the Articles of Incorporation being submitted by the Supervisory Board and the Executive Board to the General Meeting of Shareholders pursuant Section 124 (3) AktG.

- 7.5 Finally, no measures are provided for or planned to be taken due to the conversion which could affect the situation of the employees.

8. Auditors

KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, Germany, are appointed as auditors for the first fiscal year of SAP SE. The first fiscal year of SAP SE is the calendar year in which the conversion of SAP AG to SAP SE is registered in the commercial register for SAP SE.

9. No additional rights or special privileges

- 9.1 No rights will be granted to any persons within the meaning of Section 194 (1) no. 5 of the German Conversion Act (*Umwandlungsgesetz*; "**UmwG**") and/or Article 20 (1) sentence 2 (f) of the SE Regulation besides the shares referred to in Section 3.3, and no special arrangements are to be made for such persons.
- 9.2 No special advantages will be granted to persons within the meaning of Article 20 (1) sentence 2 (g) of the SE Regulation in connection with the conversion, except as set out in Sections 4 and 5.2 (2).

10. Costs of formation/conversion

The costs of conversion, up to a maximum of € 4 million, will be borne by the Company.

Walldorf, March 21, 2014

SAP AG

The Executive Board

Annex: Articles of Incorporation of SAP SE

