SAP SE
General Meeting of Shareholders

on May 20, 2015 at SAP Arena in Mannheim, Germany

Report of the Executive Board concerning Item 6 on the agenda

Under Item 6 on the agenda for the General Meeting of Shareholders of May 20, 2015, the Executive Board and the Supervisory Board propose to cancel the previous Authorized Capital I and II and to replace them by new Authorized Capital I and II. Pursuant to Section 203 (2) in conjunction with Section 186 (4) sentence 2 AktG, the Executive Board submits the following report on the reasons for the authorizations to exclude the shareholders' subscription rights in connection with the issuance of the new shares provided for under the proposed new Authorized Capital I and II, which report, constituting an integral part of the present invitation, is available on the Internet at www.sap.com/agm and will be available for inspection at the General Meeting of Shareholders:

a) Current Authorized Capital I and II

In Section 4 (5) and (6), the Articles of Incorporation provide for Authorized Capital I and II, under which the Executive Board is authorized to increase the capital stock by up to € 250 million against contributions in cash by issuing new no-par value bearer shares (Authorized Capital I) and by up to € 250 million against contributions in cash or in kind by issuing new no-par value bearer shares (Authorized Capital II). These authorizations have not been utilized to date. The current Authorized Capital I and II will expire on June 7, 2015, and thus a few weeks after this year's annual General Meeting of Shareholders. In order to ensure that the Company will be able also in the future to react to market conditions and to perform capital increases against contributions both in cash and in kind, the Executive Board is to be given the option, by creating corresponding new authorizations that will apply beyond June 7, 2015, to increase the Company's capital stock by issuing new no-par value bearer shares.

b) New Authorized Capital facilities and associated benefits for the Company

It is intended to create new Authorized Capital I and II in an amount of € 250 million each and thus in an aggregate amount of € 500 million. This corresponds to the currently still existing Authorized Capital I and II.

Under the new Authorized Capital I as proposed under Item 6 subsection a) on the agenda of the General Meeting of Shareholders of May 20, 2015, the Executive Board is to be authorized, subject to the consent of the Supervisory Board, to increase the Company's capital stock on one or more occasions by an aggregate amount of up to € 250 million against contributions in cash by issuing new no-par value bearer shares. The new shares are to be offered to the shareholders for subscription, with an indirect subscription right within the meaning of Section 186 (5) sentence 1 AktG being sufficient in this context. According to the relevant statutory provisions alone, an issuance of shares in respect of which such an indirect subscription right is granted is not to be regarded as a case of exclusion of shareholders' subscription rights. The Executive Board is to be authorized, however, subject to the consent of the Supervisory Board, to exclude fractional shares from the shareholders' subscription rights (see subsection c) below). Under the new Authorized Capital II as proposed under Item 6 subsection b) on the agenda of the General Meeting of Shareholders of May 20, 2015, the Executive Board is to be authorized, subject to the consent of the Supervisory Board, to increase the Company's capital stock on one or more occasions by an aggregate amount of up to € 250 million against contributions in cash or in kind by issuing new no-par value bearer shares. The Executive Board is to be authorized to exclude the shareholders' statutory subscription rights (see subsection d) below). A specific clause is to be included in the interest of the shareholders, however, to guarantee that the option to exclude subscription rights is limited to an aggregate share volume of 20% of the capital stock, taking into account all additional authorizations on the exclusion of subscription rights.

Both authorizations on capital stock increases are to be granted for the maximum period permitted by law, i.e. until May 19, 2020.

The proposed authorizations to issue new shares from Authorized Capital I and II are to enable the Company to react to financing needs and opportunities to merge with other enterprises or to acquire enterprises or parts thereof or interests therein or other contributable assets that may arise at short notice. Moreover, this is to enable the implementation of a scrip dividend at optimal conditions.

c) Exclusion of subscription rights in respect of the new Authorized Capital I

In connection with Authorized Capital I, the Executive Board is to be authorized to exclude the shareholders' subscription rights in respect of fractional shares, subject to the consent of the Supervisory Board. The exclusion of subscription rights in respect of fractional shares in connection with Authorized Capital I is required in order to ensure a technically feasible subscription ratio. The fractions of shares excluded from the shareholders' subscription rights will be realized either by sale on the stock exchange or in any other manner so as to best further the Company's interests. The potential dilutive effect is low due to the limitation to fractional shares. For these reasons, the Executive Board and the Supervisory Board consider the potential exclusion of the shareholders' subscription rights to be justified in view of the circumstances and reasonable for the shareholders.

d) Exclusion of subscription rights in respect of the new Authorized Capital II

Under Authorized Capital II, the Executive Board is to be authorized, subject to the consent of the Supervisory Board, to exclude the shareholders' subscription rights in connection with capital increases against contributions in cash if the total pro rata amount of capital stock represented by the new shares in respect of which the shareholders' subscription rights are excluded does not exceed 10% of the Company's capital stock existing on May 20, 2015 or at the time the authorization is registered or at the time the new shares are issued and the issue price of the new shares is not substantially below the trading price of listed shares of the same class carrying the same rights at the time the Executive Board finally determines the issue price. The statutory basis for this so-called simplified exclusion of shareholders' subscription rights is Section 203 (1) and (2) in conjunction with Section 186 (3) sentence 4 AktG. A possible deduction from the relevant trading price will presumably not exceed 3%, and in no event 5%, of the trading price. This option to exclude the shareholders' subscription rights as provided for in Section 186 (3) sentence 4 AktG will enable the Company to quickly, flexibly and cost-effectively exploit opportunities arising as a result of prevailing stock exchange conditions. The sales proceeds that can be realized by fixing a price that is close to market will as a rule result in a significantly higher inflow of funds per share than in the case of a placement of shares with subscription rights, thus ensuring the highest possible inflow of equity. By avoiding the time-consuming and expensive handling of subscription rights, the Company will furthermore be able to meet its equity requirements quickly when market opportunities arise at short notice. Section 186 (2) sentence 2 AktG allows the subscription price to be published three days prior to the expiration of the subscription period at the latest. However, in light of the volatility in the stock markets, this still involves a market risk, in particular a price change risk, for several days, which may lead to safety margins being deducted when the selling price is determined and, therefore, to conditions that are not close to market. In addition, if the Company granted subscription rights, it would not be in a position to react quickly to favorable market conditions due to the length of the subscription period. The authorization to use treasury shares as set out in subsection e) of the authorization to purchase and use treasury shares resolved by the General Meeting of Shareholders of June 4, 2013 under Item 5 on the agenda also serves this purpose. However, the intention is to provide the Company with the necessary flexibility to be able to achieve this purpose also independently of a repurchase of treasury shares.

In order to ensure that the threshold of 10% of the capital stock stipulated in Section 186 (3) sentence 4 AktG for the simplified exclusion of shareholders' subscription rights is complied with, the authorization to issue new shares subject to a simplified exclusion of shareholders' subscription rights is limited to shares representing a pro rata amount of 10% of the Company's capital stock. The calculation of the 10% threshold is to be made on the basis of the amount of capital stock existing on May 20, 2015, at the time the authorization is registered in the commercial register and at the time the shares are issued, whichever is the lowest. Moreover, the resolution proposal provides for a deduction clause, according to which the authorization volume will be reduced to the extent that other authorizations concerning the simplified exclusion of shareholders' subscription rights are exercised from the date of the General Meeting of Shareholders. This is to ensure that the 10% threshold stipulated in Section 186 (3) sentence 4 AktG is observed, taking into account all authorizations providing for the option to exclude subscription rights in accordance with Section 186 (3) sentence 4 AktG, whether applied directly, analogously or *mutatis mutandis*. For the stated reasons, the proposed authorization is in the interests of the Company and its shareholders. Since the issue amount for the new shares will have to be determined by reference to the trading price and the volume of the authorization is limited, the interests of the shareholders are adequately protected. Shareholders wishing to maintain their participation ratios can do so by acquiring additional shares on the stock exchange. The portion of freely floating shares of the Company exceeds 75%. In the 2014 calendar year, the entire volume of trading in SAP shares on German exchanges amounted to more than 62% of the Company's capital stock.

Moreover, the Executive Board is to be authorized under Authorized Capital II, subject to the consent of the Supervisory Board, to exclude the shareholders' subscription rights in the context of capital increases against contributions in kind where shares are granted as consideration in connection with mergers with other enterprises or acquisitions of enterprises or parts thereof or interests therein or of other contributable assets.

SAP SE has to cope with global competition. The Company must always be in a position to act promptly and flexibly in the national and international markets in the interests of its shareholders. This also includes the option to acquire enterprises or parts thereof or interests therein with a view to enhancing the Company's competitive position or to merge with other enterprises. This can, among other things, consolidate or strengthen the Company's market position or enable, facilitate or accelerate market entry in new fields of business. In individual cases, the best possible way of implementing this option in the interests of the shareholders and the Company may consist in merging with another enterprise or acquiring an enterprise or parts thereof or interests therein by way of granting shares in the acquiring company. In the case of mergers with other enterprises, the granting of shares may already be required by statutory provisions pursuant to which the merger is effected. Practical experience also shows that the shareholders of companies that are attractive acquisition targets frequently request the delivery of shares in the acquiring company as consideration for the respective sale, e.g. for tax reasons or in order to continue holding a stake in the previous business. In order to be in a position to also acquire such companies, SAP SE must be able to grant new shares as consideration. The authorization to use treasury shares as set out in subsection f) of the authorization to purchase and use treasury shares resolved by the General Meeting of Shareholders of June 4, 2013 under Item 5 on the agenda also serves this purpose. However, the intention is to provide the Company with the necessary flexibility to be able to achieve this purpose also independently of a repurchase of treasury shares. Furthermore, the purchase and the number of treasury shares held is limited to 10% of the capital stock, which means that larger mergers and acquisitions can be implemented with new shares from Authorized Capital II than with repurchased treasury shares. Finally, with new shares from authorized capital merger and acquisition projects can be implemented without adversely affecting the Company's liquidity. In addition, it is intended to enable the purchase of other contributable assets against issue of new shares from Authorized Capital II. In acquisition projects it may be sensible in economic terms to purchase other assets besides the acquisition target as such, e.g. assets that serve the economic purpose of the acquisition target. This applies in particular if an enterprise to be acquired does not own the rights to intangible assets associated with its business operations (such as industrial property rights, copyrights, license rights and rights of use, etc.). In such and comparable cases, SAP SE is to be in a position to purchase assets associated with the acquisition project and grant shares as consideration for this, be it in order not to adversely affect the Company's liquidity or because the seller so requests, provided that the relevant assets are contributable. In addition, it is intended to enable the subsequent granting of shares instead of money in cases where a cash payment was initially agreed for the acquisition of an enterprise or parts of or equity interests in enterprises and to not adversely affect liquidity this way. Finally, it is intended to enable the purchase of assets not associated with an acquisition project against granting of new shares, be it in order not to adversely affect the Company's liquidity or because the seller so requests. Relevant assets are in this respect in particular intangible assets within the meaning described above. In this context too, such assets must be contributable assets. Such acquisitions may be considered for example if the utilization of the respective intangible assets for the development of existing or new products of the SAP group is in the interests of the Company.

The issue of shares against contributions in kind requires that the value of the contribution in kind be in reasonable proportion to the value of the shares so that SAP SE will not suffer any disadvantage in this context. By contrast, if shareholder subscription rights were to be maintained, mergers with other enterprises and acquisitions of enterprises or parts thereof or interests therein or of other contributable assets involving the granting of new shares in the Company would be impossible, rendering the associated benefits for the Company and the shareholders unattainable.

The Company is currently not contemplating any specific merger or acquisition in respect of which it intends to make use of this option. Should any specific opportunities open up with regard to mergers with other enterprises or acquisitions of enterprises or parts thereof or interests therein or of other contributable assets, the Executive Board will carefully assess in each individual case whether or not to exercise the authorization to increase the capital by granting new shares. The Executive Board will do so only if it arrives at the conclusion that the relevant merger or the acquisition of the relevant enterprise or part thereof or interest therein or the acquisition of other contributable assets in return for the granting of SAP shares is in the best interests of the Company. The Supervisory Board will give its required consent only if it arrives at the same conclusion.

Having considered all of the above circumstances, the Executive Board, acting with the consent of the Supervisory Board, considers the potential exclusion of shareholders' subscription rights in the cases specified above to be justified in view of the circumstances and reasonable for the shareholders for the stated reasons, in particular if the potential dilutive effects are taken into account.

The Executive Board is further to be authorized under Authorized Capital II, with the consent of the Supervisory Board, to exclude shareholders' subscription rights where the capital is increased against contributions in kind in order to be able to implement a scrip dividend at optimal conditions. In a scrip dividend, shareholders are given the option of contributing their entitlement to the dividend payment that arises with the resolution on the appropriation of earnings by the General Meeting of Shareholders to the Company as a contribution in kind in order to subscribe for new shares in the Company. A scrip dividend can be implemented as a regular rights issue, in particular in compliance with the provisions of Section 186 (1) AktG (minimum subscription period of two weeks) and Section 186 (2) AktG (announcement of the issue price no later than three days before the end of the subscription period). In each case, shareholders can only subscribe for whole shares; they will merely receive cash dividends for that portion of the dividend entitlement that is less (or more) than the subscription price for a whole share and cannot subscribe for shares to this extent. There is no intention to offer fractional interests or to establish trading of subscription rights or fractions thereof. This is considered to be justifiable and appropriate as the shareholders receive a cash dividend instead of subscribing for new shares. Depending on the capital market situation, it may be preferable in individual cases to offer and prepare a scrip dividend without being bound by the constraints of Section 186 (1) and (2) AktG. Consequently, the Executive Board is also to be authorized to offer all shareholders entitled to dividends the option to subscribe for new shares against the contribution of their dividend entitlements in compliance with the principle of equal treatment (Section 53a AktG) while formally excluding shareholders' subscription rights in full with the consent of the Supervisory Board. Implementing a scrip dividend while formally excluding subscription rights enables the capital increase to be implemented at more flexible conditions. Given the fact that all shareholders are offered the new shares and that surplus fractional dividend amounts are settled by paying a cash dividend, the possible exclusion of subscription rights is also considered to be justifiable and appropriate towards the shareholders in this regard.

In the event that the Executive Board does not utilize the above authorizations concerning the exclusion of the shareholders‘ subscription rights, the Executive Board is to be authorized under Authorized Capital II, as under Authorized Capital I, to exclude the shareholders‘ subscription rights in respect of fractional shares, subject to the consent of the Supervisory Board. The reasons for such an exclusion of subscription rights, as well as its justification in view of the circumstances and its reasonableness for the shareholders have already been discussed in the section of this report dealing with Authorized Capital I (see subsection c) above) and apply *mutatis mutandis* in the present context.

Where shareholders are generally granted subscription rights to new shares in the context of a capital increase, the Executive Board is furthermore to be authorized to exclude such shareholders‘ subscription rights, subject to the consent of the Super-visory Board, to the extent required in order to grant subscription rights to new shares to holders and/or beneficiaries of conversion and/or option rights or obligors under conversion and/or option obligations under bonds issued by the Company or a group company in the same volume they would be entitled to if they exercised their conversion and/or option rights or fulfilled their conversion and/or option obligations. To facilitate placement on the capital market, convertible bonds or bonds with warrants typically have certain dilution protection mechanisms. Customary dilution protection mechanisms are monetary compensation or, optionally, a reduction of the conversion or option price or an adjustment of the exchange ratio. In addition, the terms and conditions of convertible bonds or bonds with warrants typically provide that, in particular in the event of a capital increase involving the granting of subscription rights for shareholders, the holders or beneficiaries of conversion or option rights or obligors under conversion or option obligations may be granted subscription rights to new shares similar to that granted to shareholders instead of the dilution protection mechanisms outlined above. If the Executive Board selects the latter option, the holders or beneficiaries of conversion or option rights or obligors under conversion or option obligations will be placed in the same position as if they had already exercised their conversion or option rights or fulfilled their conversion or option obligations. The advantage of this mechanism is that, other than in the case of dilution protection by reducing the conversion or option price or by adjusting the exchange ratio, the Company can realize a higher issue amount for the shares to be issued in connection with the conversion or the exercise of option rights and does not have to pay any compensation. In order to achieve this, an exclusion of the corresponding subscription rights is required. This possible exclusion of subscription rights is also deemed factually justified and reasonable for the shareholders.

e) Report of the Executive Board on a utilization of the new Authorized Capital I and II

The Executive Board will report to the General Meeting of Shareholders on any utilization of Authorized Capital I and II.