



Rules of Procedure for the SAP SE Executive Board

Version as of September 2018

Article 1 - General

- (1) The Executive Board must manage the Company in accordance with the law, the Articles of Incorporation, and these Rules of Procedure, and must take care that all measures it takes comply with the law. It must ensure that all companies in the SAP Group comply with all of those requirements and with Company policy. It must also maintain in place and continuously develop effective planning, budgeting, controlling, and risk management structures and controls.
- (2) The Executive Board must follow the recommendations of the German Corporate Governance Code (herein: Code) as from time to time amended, subject to the exceptions set out in the SAP Declaration of Implementation (*Entsprechenserklärung*) as from time to time submitted.
- (3) The Executive Board must work in good faith with the other governing bodies of the company and the staff of the enterprise. In this, the Executive Board must be committed to the best interests of the Company and to the sustained growth of corporate value.
- (4) If necessary, the Executive Board must amend these Rules of Procedure pursuant to the Articles of Incorporation, section 7 (1) to comply with amendments to or changes in the applicable law, the Articles of Incorporation, Company policies, and the Code, and to comply with national or international standards.

Article 2 - Collective Company Management and Collective Responsibility

- (1) The Executive Board is collectively responsible for managing the Company's business in accordance with uniform goals, plans, and policies. In consultation with the SAP Supervisory Board, it is responsible for developing and implementing SAP's strategy. The assignment of portfolios of responsibilities in accordance with article 3 does not release any Executive Board member from collective responsibility for the management of the Company. However, one Executive Board member has no duty to intervene in matters that fall within another Executive Board member's portfolio of responsibilities unless there is tangible evidence of negligence or breach of duty by that other member in respect of the responsibilities assigned to him or her.
- (2) The members of the Executive Board must work together cooperatively and keep one another informed of important activities and events in their areas of responsibility. Notwithstanding their responsibility for their individual areas in accordance with article 3, the members of the Executive Board must keep fully informed at all times about developments critical to the progress of the Company's business in order to be able to avert impending detriments and implement desirable improvements or expedient changes by convening a meeting of the Executive Board, informing the chief executive officer (CEO), or by other suitable means.
- (3) All matters of fundamental or material importance (key decisions) and all other matters for which the full Executive Board is collectively responsible in law, the Articles of Incorporation, or these Rules of Procedure must be decided by resolution of the full Executive Board. Notably, the full Executive Board must agree:



- a. Business planning for profit, investment, finance, and human resources
 - b. Presentation of the Company financial statements and consolidated financial statements and the Company and Group reviews of operations
 - c. Fundamental matters of strategic planning for the Company or individual parts of the business
 - d. The appointment of key managers in the Company or in the group, notably appointments of regional managers (Regional Presidents) and of the following global functions directly reporting to a member of the Executive Board: (i) Head of Global Compliance (Chief Compliance Officer), (ii) Head of Corporate Audit, (iii) Chief Technology Officer, (iv) Head of internal IT and processes (Chief Operating Officer), (v) Head of Global Marketing (Chief Marketing Officer), and (vi) Chief Information Officer,
 - e. All fundamental matters concerning compliance
 - f. All transactions requiring the consent of the Supervisory Board and related motions (draft resolutions) for the Supervisory Board
 - g. Convening the General Meeting of Shareholders and proposals for resolution by the General Meeting of Shareholders
 - h. Matters not assigned to an individual member of the Executive Board on the Schedule of Responsibilities or pursuant to article 2 (4)
 - i. All matters brought before it by a member of the Executive Board
 - j. All mergers and acquisitions to be effected, regardless of their scale, unless they are assigned to an individual member or individual members of the Executive Board pursuant to the Schedule of Responsibilities.
- (4) The full Executive Board is empowered to delegate decisions on the detail of implementation relating to key decisions and other matters set out in article 2 (3) (a) to (j) to individual Executive Board members.

Article 3 - Portfolios of Responsibilities and their Assignment

- (1) Notwithstanding the Executive Board's collective responsibility for management, each member of the Executive Board acts on his or her own responsibility with respect to the area of operations assigned to him or her, but is required to subordinate the interests of that area to the interests of the Company as a whole.
- (2) The Executive Board has a Schedule of Responsibilities, defining its members' responsibilities. The Schedule of Responsibilities may assign joint responsibilities to be borne by multiple members together. Internal Company policies agreed by the Executive Board can also assign special responsibility for particular matters to individual Executive Board members.
- (3) To the extent that activities and transactions in a Supervisory Board member's portfolio of responsibility touch on the portfolios of one or more other members, all members concerned must consult and agree with each other. If there are differences between members of the Executive Board on the scope of their respective responsibilities or on a joint responsibility in the



meaning of (2), the members must seek the mediation of the CEO or, where the CEO is a party in the difference, of the Chairperson of the Supervisory Board.

- (4) The CEO and the chief financial officer on the Executive Board (CFO) must submit declarations as required by the U.S. Securities Trading Act about the accuracy of the annual report on form 20-F and about the internal controls. Each member of the Executive Board must give the declarations and statements about his or her portfolio of responsibilities required by the CEO and CFO for the purposes of certification of the reports that the CEO and CFO must submit to the U.S. Securities and Exchange Commission to comply with U.S. securities law. Each member of the Executive Board must without delay make known any event or circumstance in his or her portfolio of responsibilities that may have a bearing on the accuracy of the declarations and statements required to be given. Notwithstanding the responsibility of Executive Board members for their individual portfolios, the CEO and the CFO can investigate specific matters in the portfolios of other Executive Board members for the purpose of preparing the declarations and statements required to be given.

Article 4 - Chief Executive Officer's Responsibilities

- (1) The Executive Board appoints one CEO, or not more than two Co-CEOs, from among its members. CEO appointments require the consent of the Supervisory Board.
- (2) The CEO represents the Company's interests externally. The Executive Board members must inform the CEO regularly about all important issues and the progress of business in their portfolios. The CEO must reconcile issues relating to the Executive Board members' portfolios with the Company's overall goals and plans. The CEO must consult the other Executive Board members so far as their portfolios are affected. The CEO represents the Executive Board in dealings with the Supervisory Board. The CEO must obtain the consent of the Supervisory Board in the cases where that consent is required by the law, the Articles of Incorporation, or a resolution of the Supervisory Board, and, to the extent the law requires such matters to be disclosed, the CEO must keep the Supervisory Board informed about the state of the Company and the progress of business.
- (3) If Co-CEOs are appointed, they must fulfill these duties jointly.

Article 5 - Meetings and Resolutions

- (1) In principle, the Executive Board makes its decisions at meetings. Meetings must be held at regular intervals and be attended personally or by means of telephone conference or video conference. A meeting must take place at least once every quarter at which personal attendance is expected and which should deliberate chiefly on matters of strategy. In addition, telephone or video conferences should be held preferably not less frequently than every other week, at which the focuses of discussion are operational and legal matters. Meetings must be convened whenever necessary for the Company's good.
- (2) It is the responsibility of the CEO to schedule, convene, and set the agenda for Executive Board meetings, and to chair and minute them.
- (3) Unless the law or the articles of incorporation rule differently, the quorum requirements for resolutions of the Executive Board meetings are that all members of the Executive Board must have been invited to the meeting and that at least one-half of the members must participate in



the resolution. Absent Executive Board members may vote on resolutions by communicating their vote to the CEO in writing, by fax, by telephone, or by other customary electronic means (such as e-mail). The CEO can give permission for late voting on a resolution but must stipulate when the time to cast late votes expires. Casting a late vote also counts as participating in the adoption of the resolution.

- (4) Upon proposal by a member of the Executive Board, which has not been objected to by another member without undue delay, the vote on a resolution may be conducted using a circular correspondence procedure with votes cast in writing, by fax, by telephone, or by other customary electronic means (such as e-mail). Section 5 (below) notwithstanding, such a resolution requires a majority of not less than two-thirds of the members of the Executive Board. Any member who did not participate in the adoption of such a resolution must be told without delay of the resolutions adopted.
- (5) Unless the law or the articles of incorporation rule differently, Executive Board resolutions are made with a simple majority of the votes cast.
- (6) If the CEO is prevented from carrying out his or her functions in this article 5, they should be carried out by the member named by the CEO for that purpose. If the CEO has not named a member for that purpose or if the member named for that purpose is also prevented from carrying out the duties in this article 5, the eldest member of the Executive Board should carry them out.

Article 6 - Implementation of Decisions

The Executive Board member responsible for the relevant portfolio must have actions resolved by the full Executive Board implemented, and the CEO must monitor implementation. The CEO is responsible for implementing resolutions in cases where responsibility has not been assigned to a particular member.

Article 7 - Conflicts of Interest

- (1) SAP Executive Board members must always be loyal to SAP in their personal conduct. In their decisions, members must not conflict with interests of SAP, pursue any interests of their own or of a third party, or exploit for their own benefit any business opportunity available to SAP.
- (2) Each member must disclose every conflict of interest to the Supervisory Board without delay and must inform the other members that he or she has done so.

Article 8 - Reporting to the Supervisory Board

- (1) The Executive Board must provide regular, prompt, and comprehensive information to the Supervisory Board, normally in digital or text form, about its intended business policies and all fundamental matters of business planning, including but not limited to information about failures to achieve targets previously reported, with reasons, about the profitability and progress of business, the risks to which the Company is subject and how they are managed, and about relevant strategy and compliance issues.



- (2) The CEO must without delay report to the Chairperson of the Supervisory Board in person or in text form all matters that may be especially significant for the Company's profitability or liquidity. All members of the Executive Board must support the CEO in performing this duty.
- (3) The Executive Board must ensure that the Supervisory Board and its committees receive in good time all of the information and papers they require to fulfill their duties according to the law, the Articles of Incorporation, and the applicable rules of procedure.

Article 9 - Ad Hoc Notices

Publication of *ad-hoc* notices in accordance with the EU regulation on market abuse, Article 17, and of similar notices that the Company has to publish under the laws of other countries only require a joint decision by the CEO and CFO.