

# Message from Professor Hasso Plattner, Chairman, SAP Supervisory Board

February 27, 2019

## Dear Shareholders,

2018 was another successful year of strong growth and innovation for SAP as we continue to fulfill our purpose of helping the world run better and improving people's lives. SAP is well-positioned for the years ahead, as reflected in the 2019 and medium-term guidance. As I committed to last year, I continued to engage with shareholders as part of a governance dialog in 2018. These discussions, which took place in San Francisco and Potsdam, are an excellent opportunity for me to hear your feedback and to provide updates on the company's strategy. This dialog is important to me and we will continue this. Today, I would like to share some updates on important governance topics, ahead of our Annual General Meeting (AGM) on May 15, 2019.

## Supervisory Board Composition

Over the past few years, we have made significant changes to the makeup of the shareholder representatives on the Supervisory Board. You can see that, compared to five years ago, we have increased the diversity on the Board, decreased average tenure, and aligned the mix of skills and experience to the Profile of Skills and Expertise for the Supervisory Board of SAP SE. The profile is available on our [Website](#).

## Elections of Supervisory Board Members

We are looking forward to the upcoming elections of all nine shareholders' representatives on the Supervisory Board at the AGM 2019. You can find detailed information about the elections in the [press release](#) published on February 27, 2019, as well as the invitation to the AGM, which will be published in early April. Except for Dr. Schipporeit, all current shareholders' representatives on the Supervisory Board will stand for reelection. As successor of Dr. Schipporeit, the Supervisory Board will propose Dr. Gunnar Wiedenfels, CFO of Discovery Communications, Inc., New York, USA, and formerly CFO and member of the executive board of former German DAX-30 company ProSiebenSat.1 Media SE. With the addition of Dr. Wiedenfels, we will gain a financial professional with expertise in both EU and US accounting standards and practices. Further, with this change, we will fulfill the independence requirements of most investors.

With these elections, the Supervisory Board intends to introduce three different terms of office for the shareholders' representatives to allow shareholders to vote more frequently on their representatives than every five years.

## Succession

I have been asked often about succession planning. I will stand for a three-year term and this will likely be my last term as Supervisory Board chairman and member. We have strong succession planning at SAP, but we do not want to announce these publicly until it is time to make it happen, which I anticipate would be about a year before my retirement. When looking at the technological advances today, we are living in amazing times. I am honored to be a part of the SAP story through this exciting period.

## Committee Composition

We have heard feedback that some investors have very specific standards regarding the composition of the committees. I am convinced that the current committees are doing excellent and unbiased work, thanks also to the valuable input that other experienced Supervisory Board members contribute to that work. Nonetheless, we have heard your feedback. As we intend that Dr. Wiedenfels chair the audit committee as successor to Dr. Schipporeit, we will fulfill most investors' independence requirements after the AGM.

## Supervisory Board Meeting Participation

Our Supervisory Board members are committed to fulfilling their duties. Unfortunately, the meeting participation of Aicha Evans and Diane Greene was under 75% in 2018.

Ms. Greene faced scheduling conflicts when she joined the Supervisory Board. She no longer holds an executive role at Google Cloud or in fact any other executive function, which should help eliminate scheduling conflicts moving forward.

Ms. Evans faced scheduling conflicts last year. She has committed to shape her schedule to allow for active participation in the meetings.

The quality of Supervisory Board members' work should not only be measured by meeting attendance. Ms. Greene and Ms. Evans bring important skills to our Board and have greatly contributed to the relevant topics discussed and worked on by the Board and its committees. I would like to ask you to support their reelection and can reassure you that my colleagues on the Supervisory Board are committed to fulfilling their duties and contributing the best they can to the success of SAP.

#### **German Corporate Governance Code / Executive Compensation**

Last year, I discussed the changes that we made to our executive compensation program and our increased disclosure thereof after hearing your feedback. I very much appreciate the over 90% support we received for the program at the 2018 AGM. This year, I have heard additional feedback regarding the structure of the long-term incentive and the complexity of the program. We do want to simplify the structure. However, given the high level of acceptance at the 2018 AGM and the pending changes to the legal framework governing executive compensation, we feel it is prudent to wait to make any changes until it is clear what the new German Corporate Governance Code recommendations will require. We will consider investor feedback when shaping the new program. We are closely monitoring the changes to the regulatory framework and are prepared to implement the changes after they take effect.

The Supervisory Board is committed to the success of SAP for the shared benefit of all stakeholders. We believe we have the right structures in place to ensure SAP's sustainable success. We believe a best-in-class governance system for SAP is a continuous process. I would like to take this opportunity to thank all shareholders who have shared their opinions and analysis with us and I am looking forward to a continued dialog.

For the Supervisory Board,

Professor Hasso Plattner  
(Chairman)

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