



**SAP SE**

(a European Company (*Societas Europaea*, SE) established under the laws of the European Union and the Federal Republic of Germany and having its corporate seat in Walldorf, Federal Republic of Germany)

(formerly SAP AG)

will issue on 18 May 2020

EUR 600,000,000 0.000 per cent. Notes due 17 May 2023

EUR 600,000,000 0.125 per cent. Notes due 18 May 2026

EUR 800,000,000 0.375 per cent. Notes due 18 May 2029

The notes due 17 May 2023 (the "**2023 Notes**") bear interest on their principal amount from 18 May 2020 at a fixed rate of 0.000 per cent. per annum payable in arrear on 17 May in each year, the notes due 18 May 2026 (the "**2026 Notes**") bear interest on their principal amount from 18 May 2020 at a fixed rate of 0.125 per cent. per annum payable in arrear on 18 May in each year and the notes due 18 May 2029 (the "**2029 Notes**" and, together with the 2023 Notes and the 2026 Notes, the "**Notes**") bear interest on their principal amount from 18 May 2020 at a fixed rate of 0.375 per cent. per annum payable in arrear on 18 May in each year. The Notes are governed by the laws of the Federal Republic of Germany ("**Germany**") and will be issued in a denomination of EUR 100,000. Unless previously redeemed in accordance with the terms and conditions of the Notes ("**Terms and Conditions**") or repurchased and cancelled, the 2023 Notes will be redeemed at par on 17 May 2023, the 2026 Notes will be redeemed at par on 18 May 2026 and the 2029 Notes will be redeemed at par on 18 May 2029.

Application has been made to the Luxembourg Stock Exchange for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange's Regulated Market (*Bourse de Luxembourg*). The Luxembourg Stock Exchange's Regulated Market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and the Council of 15 May 2014 on Markets in Financial Instruments (as amended, "**MiFID II**").

This prospectus (the "**Prospectus**") constitutes a prospectus within the meaning of Article 6.3 of Regulation (EU) No 1129/2017 of the European Parliament and of the Council of 14 June 2017 (as amended, the "**Prospectus Regulation**"). This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier*, Luxembourg ("**CSSF**") in its capacity as competent authority under the Prospectus Regulation. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should neither be considered as an endorsement of the Issuer that is subject of this Prospectus nor of the quality of the securities that are the subject of this Prospectus. By approving this Prospectus, the CSSF gives no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer in line with the provisions of Article 6 (4) of the Luxembourg law on prospectuses for securities. Investors should make their own assessment as to the suitability of investing in the Notes.

This Prospectus will be valid until 13 May 2021 and may in this period be used for admission of the Notes to trading on a regulated market. In case of a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Notes, the Issuer will prepare and publish a supplement to this Prospectus without undue delay in accordance with Article 23 of the Prospectus Regulation. The obligation of the Issuer to supplement this Prospectus will cease to apply once the Notes have been admitted to trading on the regulated market of the Luxembourg Stock Exchange and at the latest upon expiry of the validity period of this Prospectus.

**Sole Global Coordinator and Joint Lead Manager**

Deutsche Bank

**Joint Lead Managers**

Barclays  
Citigroup  
Helaba  
RBC Capital Markets  
Standard Chartered Bank

BofA Securities  
Commerzbank  
Landesbank Baden-Württemberg  
Société Générale Corporate & Investment Banking

## RESPONSIBILITY STATEMENT

SAP SE (the "**Issuer**" or "**SAP SE**", and together with its subsidiaries and affiliates, the "**SAP Group**", "**SAP**", "**we**", "**our**" or "**us**") with its registered office in Walldorf, Germany, is solely responsible for the information given in this Prospectus.

The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus for which it is responsible is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

This Prospectus should be read and understood in conjunction with any supplement hereto and with any other documents incorporated herein by reference. Any website referred to in this Prospectus is referred to for information purposes only, does not form part of this Prospectus and has not been scrutinized or approved by the CSSF.

The Issuer has confirmed to the joint lead managers set forth in the section "Names and Addresses" (each a "**Joint Lead Manager**" and together the "**Joint Lead Managers**") that this Prospectus contains the information which, in accordance with the nature of the Issuer and of the Notes offered to the public or admitted to trading on a regulated market, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses, and prospects of the Issuer, and of the rights attaching to the Notes; that the information contained herein with respect to the Issuer and the Notes is accurate in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; that there are no other facts, the omission of which, in the context of the issue and offering of the Notes, would make any statement, whether fact or opinion, in this Prospectus misleading in any material respect; and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained herein.

## NOTICE

No person has been authorized to give any information or make any representation which is not contained in or not consistent with this Prospectus or any information supplied by the Issuer or such other information as in the public domain and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer, the Joint Lead Managers or any of them.

This Prospectus contains certain forward-looking statements, including statements using the words "believes", "anticipates" "intends", "expects" or other similar terms. This applies in particular to statements in subsection "Business description" of the section "GENERAL INFORMATION ABOUT THE ISSUER" and statements elsewhere in this Prospectus relating to, among other things, the future financial performance, plans and expectations regarding developments in the business of the Issuer. These forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that may cause the actual results, including the financial position and profitability of the Issuer, to be materially different from or worse than those expressed or implied by these forward-looking statements. The Issuer does not assume any obligation to update such forward-looking statements and to adapt them to future events or developments.

Neither of the Joint Lead Managers nor any other person mentioned in this Prospectus, other than the Issuer, is responsible for the information contained in this Prospectus or any other document incorporated herein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents or any responsibility for any acts or omissions of the Issuer or any other person (other than the relevant Joint Lead Manager) in connection with this Prospectus or the issue and offering of the Notes.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and are subject to tax law requirements of the United States of America; subject to certain exceptions, Notes may not be offered, sold or delivered within the United States of America or to U.S. persons.

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties

and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels. The Issuer is not a manufacturer or distributor for the purposes of MiFID II.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. No key information document within the meaning of Regulation (EU) No 1286/2014 (as amended the "**PRIIPs Regulation**") has been prepared.

This Prospectus reflects the status as of its date. The delivery of this Prospectus and the offering, sale or delivery of any Notes may not be taken as an implication that the information contained in this Prospectus is accurate and complete subsequent to the date of this Prospectus or that there has been no adverse change in the financial situation of the Issuer since such date or, as the case may be, the date upon which this Prospectus has been most recently supplemented or the balance sheet date of the most recent financial statements which are deemed to be incorporated into this Prospectus by reference or that any other information supplied in connection with the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required to inform themselves about and observe any such restrictions. For a description of the restrictions applicable in the United States of America, the European Economic Area, the UK, France and Japan, see "Selling Restrictions".

**This Prospectus may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.**

**IN CONNECTION WITH THE ISSUE OF THE NOTES, DEUTSCHE BANK AKTIENGESELLSCHAFT (OR PERSONS ACTING ON ITS BEHALF) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILIZATION MAY NOT NECESSARILY OCCUR. ANY STABILIZATION ACTION MAY BEGIN AT ANY TIME AFTER THE ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 CALENDAR DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. SUCH STABILIZING OR OVER-ALLOTMENT SHALL BE IN COMPLIANCE WITH ALL LAWS, DIRECTIVES, REGULATIONS AND RULES OF ANY RELEVANT JURISDICTION.**

In this Prospectus all references to "€", "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro.

The legally binding language of this Prospectus is the English language, except for the Terms and Conditions, for which the legally binding language is the German language.

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## RISK FACTORS

The following is a disclosure of risk factors that are material to the Notes in order to assess the market risk associated with these Notes and risk factors that may affect the Issuer's ability to fulfill its obligations under the Notes. Prospective investors should consider these risk factors before deciding to purchase Notes.

Prospective investors should consider all information provided in this Prospectus and consult with their own professional advisers if they consider it necessary. In addition, investors should be aware that the risks described may combine and thus intensify one another. The occurrence of one or more risks may have a material adverse effect on SAP's business, financial position, profit, and cash flows. Additional risks which SAP SE is not currently aware of or which SAP SE currently believes are immaterial, could also affect the business operations of SAP SE and adversely affect SAP SE's business activities and financial condition and results of operations and the ability of SAP SE to fulfill its obligations under the Notes.

### Risk factors in respect of SAP SE

#### Economic, Political, Social, and Regulatory Risks

*Global Economic and Political Environment: Uncertainty in the global economy, financial markets, social and political instability caused by state-based conflicts, terrorist attacks, civil unrest, war, international hostilities, natural disasters or pandemic diseases (such as the current COVID-19 pandemic caused by the SARS-CoV-2 virus) could lead to disruptions of our business operations or have a negative impact on our business, financial position, profit, and cash flows.*

As a global company, we are influenced by multiple external factors that are difficult to predict and beyond our influence and control. Any of these factors could have a significant adverse effect on the overall economy as well as on our business.

The following potential events, among others, could bring risks to SAP's business:

- General economic, political, social, environmental, market conditions, and unrest (for example, United States–China supply chain restrictions, United States–North Korea conflicts, western pressure on Iran, UK/Brexit, unrest in Hong Kong)
- Continued deterioration in global economic conditions (impact on accurate forecast) or budgetary constraints of national governments
- Confrontations, frictions, trade or tariff conflicts such as those between the United States and China, with potential global implications as indicated by signs of a widespread economic slowdown, maybe even leading to a recession
- Financial market volatility episodes, global economic crises and chronic fiscal imbalances, slowing economic conditions, or disruptions in emerging markets
- Higher credit barriers for customers, reducing their ability to finance software purchases
- Increased number of bankruptcies among customers, business partners, and key suppliers
- Terrorist attacks or other acts of violence, civil unrest, natural disasters, or pandemic diseases (e.g. the current COVID-19 pandemic caused by the SARS-CoV-2 virus) impacting our business
- Regional conflicts, which may affect data centers as critical infrastructure assets

The current COVID-19 pandemic and its potential impact on the global economy may affect our ability to meet our financial targets. As the impact of the current COVID-19 crisis rapidly intensified towards the end of the first quarter of 2020, a significant amount of new business was postponed. This is reflected, in particular, in a significant decrease in our software licenses revenue in the first quarter of 2020 compared to the first quarter of 2019. Due to the current uncertainty regarding the duration and severity of the COVID-19 pandemic, it is difficult to predict the impact of the COVID-19 crisis on our business and results of operations.

Any of these events could limit our ability to reach our targets as they could have a negative effect on our business operations, financial position, profit, and cash flows.

***International Laws and Regulations: Laws, regulatory requirements and standards in Germany, the United States, and elsewhere continue to be very stringent. Our international business activities and processes expose us to numerous and often conflicting laws and regulations, policies, standards, or other requirements and sometimes even conflicting regulatory requirements, and to risks that could harm our business, financial position, profit, and cash flows.***

We are a global company and currently market our products and services in more than 180 countries and territories. As a European company domiciled in Germany with securities listed in Germany and the United States, we are subject to European, German, U.S., and other governance-related regulatory requirements.

Our business in these more than 180 countries is subject to numerous risks inherent to international business operations. Among others, these risks include:

- Possible tax constraints impeding business operations in certain countries
- Changes in external reporting standards and tax laws including, but not limited to, conflict and overlap among tax regimes as well as the introduction of new tax concepts that harm digitized business models
- Discriminatory, protectionist, or conflicting fiscal policies and tax laws, such as certain protectionist measures included in the U.S. Tax Reform which was enacted at the end of 2017, with some provisions still awaiting final regulations to provide guidance on compliance
- Workforce restrictions resulting from changing laws and regulations, from political decisions (such as Brexit, government elections), or through required works council involvements, labor union approvals, and immigration laws in different countries
- Protectionist trade policies, import and export regulations, and trade sanctions (such as in Russia or China), counter or even conflicting sanctions (such as in the United States and Russia), and embargoes (such as in Iran) including, but not limited to, country-specific software certification requirements
- Violations of country-specific sanctions (such as the UN sanction against North Korea or the United States' sanction requirements against Iran and certain other countries)
- Compliance with and stringent enforcement of laws, as for example the EU General Data Protection Regulation (GDPR) or China's Cyber Security Law, and regulations (including interpretations), implications of government elections, lack of reforms, data protection and privacy rules, regulatory requirements and standards (such as the Payment Card Industry Data Security Standard (PCI DSS)) or other compliance requirements (such as Service Organization Controls (SOC))
- Expenses associated with the localization of our products and compliance with local regulatory requirements
- Difficulties enforcing intellectual property and contractual rights in certain jurisdictions

As we expand into new countries and markets and/or extend our business activities in these markets, including emerging and high-risk markets, these risks could intensify. The application of the respective local laws and regulations to our business is sometimes unclear, subject to change over time, and often conflicting among jurisdictions. Additionally, these laws and government approaches to enforcement are continuing to change and evolve, just as our products and services continually evolve. Compliance with these varying laws and regulations could involve significant costs or require changes in products or business practices. Non-compliance could result in the imposition of penalties or cessation of orders due to alleged non-compliant activity. Governmental authorities could use considerable discretion in applying these statutes and any imposition of sanctions against us could be material. One or more of these factors could have an adverse effect on our operations globally or in one or more countries or regions, which could have an adverse effect on our business, financial position, profit, and cash flows.

SAP has received communications and whistleblower information alleging conduct that may violate anti-bribery laws in the United States (including the U.S. Foreign Corrupt Practices Act ("**FCPA**")), and other countries. The Office of Ethics and Compliance (OEC), formerly the Legal Compliance and Integrity Office, of SAP is conducting investigations with the assistance of an external law firm and voluntarily advised the U.S. Securities and Exchange Commission (U.S. SEC) and the U.S. Department of Justice (U.S. DOJ), as well as local authorities where potential violations are being investigated. The investigations and dialogue between SAP and the local authorities and the U.S. SEC and U.S. DOJ are ongoing.

The alleged conduct may result in monetary penalties or other sanctions under the FCPA and/or other anti-bribery laws. In addition, SAP's ability to conduct business in certain jurisdictions could be negatively impacted. The

comprehensive and exhaustive investigations and the corresponding remediation activities are still ongoing. Considering the complexity of individual factors and the large number of open questions, it is impossible at this point in time to assess the risk of a financial impact.

Furthermore, we continue to investigate separate allegations regarding conduct that certain SAP partners violated SAP contractual terms and sold SAP products and services in embargoed countries. These SAP partners presumably did not adhere to SAP's strict procedures for indirect business activities. To the extent any company independent from SAP chooses not to follow SAP's licensing procedures, SAP is ultimately limited in its ability to stop their activities. SAP devotes considerable resources to prevent and mitigate such activities should they occur. We are also investigating allegations regarding direct sales from SAP to certain customers, who may have engaged in unauthorized activities in embargoed countries. The investigations are being conducted by SAP's OEC and SAP's Export Control team, with the assistance of an external law firm and forensic advisors.

In this context, SAP voluntarily self-disclosed potential export controls and economic sanctions violations to the U.S. DOJ and the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC) in September 2017. At the same time, SAP provided notification to the U.S. SEC and responded to an SEC comment letter on export restriction matters in October 2017. SAP has also provided disclosure to the U.S. Department of Commerce's Bureau of Industry and Security (BIS) based on the same alleged facts. Finally, pursuant to Section 219 of the U.S. Iran Threat Reduction and Syria Human Rights Act of 2012 and Section 13(r) of the U.S. Securities Exchange Act of 1934, SAP has filed the required Iran Notice with the U.S. SEC. The alleged conduct may result in monetary penalties or other sanctions under U.S. sanctions and export control laws.

***Legal and IP: Claims and lawsuits against us, such as for IP infringements, or our inability to obtain or maintain adequate licenses for third-party technology, could have an adverse effect on our business, financial position, profit, cash flows, and reputation. Moreover, similar adverse effects could result if we are unable to adequately protect or enforce our own intellectual property.***

We believe that we will continuously be subject to claims and lawsuits, including intellectual property infringement claims, as our solution portfolio grows; as we acquire companies with increased use of third-party code including open source code; as we expand into new industries with our offerings, resulting in greater overlap in the functional scope of offerings; and as non-practicing entities that do not design, manufacture, or distribute products assert intellectual property infringement claims. Moreover, protecting and defending our intellectual property is crucial to our success.

The outcome of litigation and other claims or lawsuits is intrinsically uncertain and could lead, for example, to the following risks:

- Claims and lawsuits might be brought against us, including claims and lawsuits involving customers or businesses we have acquired.
- We might be dependent in the aggregate on third-party technology, including cloud and Web services, that we embed in our products or that we resell to our customers.
- Third parties have claimed, and might claim in the future, that we infringe their intellectual property rights or that we are overusing or misusing licenses to these technologies.
- We integrate certain open source software components from third parties into our software. Open source licenses might require that the software code in those components or the software into which they are integrated be freely accessible under open source terms.
- Despite our efforts, we might not be able to prevent third parties from obtaining, using, or selling without authorization what we regard as our proprietary technology and information. In addition, proprietary rights could be challenged, invalidated, held unenforceable, or otherwise affected. Moreover, the laws and courts of certain countries might not offer effective means to enforce our legal or intellectual property rights. Finally, SAP may not be able to collect all judgments awarded to it in legal proceedings.
- Some intellectual property might be vulnerable to disclosure or misappropriation by employees, partners, or other third parties.

Third parties might reverse-engineer or otherwise obtain and use technology and information that we regard as proprietary. Accordingly, we might not be able to protect our proprietary rights against unauthorized third-party copying or utilization. Adverse outcomes to some or all of the claims and lawsuits pending against us might result in

the award of significant damages or injunctive relief against us or brought against us in the future that could hinder our ability to conduct our business and could have an adverse effect on our reputation, business, financial position, profit, and cash flows. Third parties could require us to enter into royalty and licensing arrangements on terms that are not favorable to us, cause product shipment delays, subject our products to injunctions, require a complete or partial redesign of products, result in delays to our customers' investment decisions, and damage our reputation. Third-party claims might require us to make freely accessible under open source terms one of our products or third-party (non-SAP) software upon which we depend.

Any legal action we bring to enforce our proprietary rights could also involve enforcement against a partner or other third party, which might have an adverse effect on our ability, and our customers' ability, to use that partner's or other third parties' products.

The outcome of litigation and other claims or lawsuits is intrinsically uncertain. Management's view of the litigation might also change in the future. Actual outcomes of litigation and other claims or lawsuits could differ from the assessments made by management in prior periods, which are the basis for our accounting for these litigations and claims under International Financial Reporting Standards as adopted by the EU (IFRS).

***Data Protection and Privacy: Non-compliance with increasingly complex and stringent, sometimes even conflicting, applicable data protection and privacy laws or failure to adequately meet the contractual requirements of SAP's customers with respect to our products and services could lead to civil liabilities and fines, as well as loss of customers and damage to SAP's reputation, and could have a material adverse effect on our financial performance and our business in general.***

As a global software and service provider, SAP is required to comply with local laws wherever SAP does business. One of the latest major harmonizations of European data protection laws has been the General Data Protection Regulation (GDPR).

Furthermore, evolving regulations and new laws globally (such as the California Consumer Privacy Act and the EU's proposed e-Privacy Regulation) regarding data protection and privacy or other standards increasingly aimed at the use of personal information, such as for marketing purposes and the tracking of individuals' online activities, may impose additional burdens for SAP due to increasing compliance standards that could restrict the use and adoption of SAP's products and services (in particular cloud services) and make it more challenging and complex to meet customer expectations.

This could lead to increased risks for SAP, which could harm SAP's business and limit SAP's growth.

Non-compliance with applicable data protection and privacy laws by SAP and/or any of the sub-processors engaged by SAP within the processing of personal data could lead, for example, to risks in the following areas:

- Mandatory disclosures of breaches to affected individuals, customers, and data protection supervisory authorities
- Investigations and administrative measures by data protection supervisory authorities, such as the instruction to alter or stop non-compliant data processing activities, including the instruction to stop using non-compliant subcontractors
- Fines of up to 4 per cent. of SAP's annual Group turnover, or unlimited fines
- Damage claims by customers
- Harm to SAP's reputation
- Increased complexity in times of digitalization with regards to legal requirements in the context of cross-border data transfer
- Lack of digital frameworks such as in the context of machine learning or artificial intelligence could lead to distortion of individual data or information.

In addition, the German Federal Office for the Protection of the Constitution and security industry experts have warned of risks related to a globally growing number of cybersecurity attacks aimed at obtaining or violating company data including personal data. We anticipate cyberattack techniques to continue to evolve and increase in sophistication,



which could make it difficult to anticipate, prevent, detect, and mitigate attacks and intrusions, thus leading, for example, to risks in the following areas, among others:

- A globally increasing number of threat actor attacks aimed at obtaining or violating company data including personal data as observed in recent prominent cases of cyberattacks where the use of ransomware was the preferred method of threat actors
- Damage claims by customers
- Harm to SAP's reputation

Any one or more of these events could have a material adverse effect on our business, financial position, profit, and cash flows.

### **Corporate Governance and Compliance Risks**

***Ethical Behavior: Unethical behavior and non-compliance with our integrity standards by employees, other individuals, partners, or entities associated with SAP could seriously harm our business, financial position, profit, and reputation.***

SAP's leadership position in the global market is founded on the long-term and sustainable trust of our stakeholders worldwide. Our overarching approach is one of corporate transparency, open communication with financial markets, and adherence to recognized standards of business integrity. This commitment is formalized in SAP's Code of Business Conduct and supporting guidelines.

However, we might for instance encounter the following risks:

- Non-compliance with our integrity standards and violation of compliance related rules, regulations, and legal requirements including, but not limited to, anticorruption and bribery legislation in Germany, the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, and other local laws prohibiting corrupt conduct
- Unethical and fraudulent behavior by individual employees, other individuals, partners, or entities associated with SAP leading to criminal charges, fines, and claims by affected parties
- Collusion with external third parties, for example by aiding in securing business
- Fraud and corruption, especially in countries with a low Corruption Perceptions Index score and particularly in emerging markets
- Increased scrutiny of public sector transactions in territories exposed to a high risk of corruption
- Increased exposure and impact on business activities in highly regulated industries such as public sector, healthcare, banking, or insurance

Any one or more of these events could have an adverse effect on our business, reputation, financial position, share price, profit, and cash flows.

***Unauthorized Disclosure of Information: Our controls and efforts to prevent the unauthorized disclosure of confidential information might not be effective.***

Confidential information and internal information related to topics such as our strategy, new technologies, mergers and acquisitions, unpublished financial results, customer data, or personal data, could be disclosed prematurely or inadvertently and subsequently lead to market misperception and volatility.

Such disclosure could lead to risks in the following areas, among others:

- Disclosure of confidential information and intellectual property, defective products, production downtimes, supply shortages, and compromised data (including personal data) through, for example, inappropriate usage of social media by employees
- Requirement to notify multiple regulatory agencies and comply with applicable regulatory requirements and, where appropriate, the data owner

Any one or more of these events could have an adverse effect on our market position and lead to fines and penalties. In addition, this could have an adverse effect on our business, reputation, financial position, profit, and cash flows.

***Environment and Sustainability: Failure to meet customer, partner, or other stakeholder expectations or generally accepted standards on climate change, energy constraints, and our social investment strategy could negatively impact SAP's business, results of operations, and reputation.***

Energy and emissions management are an integral component of our holistic management of social, environmental, and economic risks and opportunities.

We have identified risks in this context, including, but not limited to, the following:

- Failure to meet customer, partner, or other stakeholder expectations or generally accepted standards on climate change, energy constraints, and our social investment strategy
- Failure to achieve communicated targets for greenhouse gas emissions
- Failure to maintain our rating in sustainable investment indexes

If we do not meet stakeholder expectations in the areas identified, our rating in sustainable investment indexes might decrease, which could have an adverse effect on our reputation, profit, and share price.

## **Financial Risks**

***Insurance: Our insurance coverage might not be sufficient and uninsured losses may occur.***

We maintain insurance coverage to protect us against a broad range of risks, at levels we believe are appropriate and consistent with current industry practice. Our objective is to exclude or minimize risk of financial loss at reasonable cost.

Nevertheless, we could still be subject to risks in the following areas, among others:

- Losses that might be beyond the limits, or outside the scope of coverage of our insurance and that may limit or prevent indemnification under our insurance policies
- Inability to maintain adequate insurance coverage on commercially reasonable terms in the future
- Certain categories of risks that are currently not insurable at reasonable cost
- No assurance of the financial ability of the insurance companies to meet their claim payment obligations

Any one or more of these events could have an adverse effect on our business, financial position, profit, and cash flows.

***Sales and Revenue Conditions: Our sales and revenue conditions are subject to market fluctuations and our forecasts might not be accurate.***

Our revenue and operating results can vary and have varied in the past, sometimes substantially, from quarter to quarter. Our revenue in general, and our software revenue in particular, is difficult to forecast for a number of reasons, and could lead to risks related to the following, among others:

- Challenges in pipeline development and realization
- Long sales cycles for many of our products
- Timing issues with respect to the introduction of new products and services or product and service enhancements by SAP or our competitors
- Large size, complexity, and extended settlement of individual customer transactions
- Introduction/adaptation of licensing and deployment models such as cloud subscription models
- Adoption of, and conversion to, new business models, leading from upfront payment models to an increase in pay-per-use or subscription-based payment models, thus the respective service period typically ranges from one to three years, and goes up to five years

- Changes in customer budgets or seasonality of technology purchases by customers, or customer solvency challenges due for example to political instability
- Decreased software sales that could have an adverse effect on related maintenance and services revenue growth
- Shortfall in anticipated revenue or delay in revenue recognition or deployment models that require revenue to be recognized over an extended period of time
- Inability of acquired companies to accurately predict their sales pipelines

In recent years, the trend has been towards an increased number of sales transactions, with the average deal size remaining more or less constant. However, the loss or delay of one or a few large opportunities could have an adverse effect on our business, financial position, profit, and cash flows.

***Liquidity: External factors could impact our liquidity and increase the default risk associated with, and the valuation of, our financial assets.***

Macroeconomic factors such as an economic downturn could have an adverse effect on our future liquidity. We use a globally centralized financial management approach to control financial risk, such as liquidity, exchange rate, interest rate, counterparty, and equity price risks. The primary aim is to maintain liquidity in the SAP Group at a level that is adequate to meet our obligations at any time.

However, adverse macroeconomic factors could increase the default risk associated with the investment of our total Group liquidity, and could lead to the following risks, among others:

- Group liquidity shortages
- Inability to repay financial debt
- Increased default risk of financial investments, which might lead to significant impairment charges in the future
- Limitation of operating and/or strategic financial flexibility

Any one or more of these events could have an impact on the value of our financial assets, which could have an adverse effect on our business, financial position, profit, and cash flows.

***Use of Accounting Policies and Judgment: In our accounting, management uses policies and applies estimates. This could negatively affect our business, financial position, profit, and cash flows.***

To comply with IFRS, management is required to establish and apply accounting policies as well as to apply judgment, including but not limited to making and using estimates and assumptions. The policies and judgment affect our reported financial figures.

This use of policies and judgment could lead to risks in the following areas, among others:

- New pronouncements by standard setters and regulators as well as changes in common practice or common interpretations of existing standards might force us to change existing policies. Where such changes trigger significant changes to our processes, we might struggle to implement the changes in a timely manner.
- The facts and circumstances, as well as the assumptions on which our management bases its judgment might change over time, requiring us to change the judgment previously applied.

Both of the above risks could result in significant changes to our reported financials, and could have an adverse effect on our business, financial position, profit, and cash flows.

***Currency, Interest Rate, and Share Price Fluctuation: As a globally operating company, SAP is subject to various financial risks related to currencies, interest rates, and share price fluctuations, which could negatively impact our business, financial position, profit, and cash flows.***

Because we operate throughout the world, a significant portion of our business is conducted in foreign currencies. In 2019, approximately 72.6 per cent. of our revenue was attributable to operations in foreign currencies. This foreign currency business therefore gets translated into our reporting currency, the euro.

This could lead to the following risks, among others:

- Period-over-period fluctuations
- Exchange rate risks with currency appreciation or depreciation, or risks related to currency devaluation (legal and/or administrative changes to currency regimes)
- Interest rate fluctuation
- Share price fluctuation impacting cash outflows for share-based compensation payments

Any one or more of these events could have an adverse effect on our business, financial position, profit, and cash flows.

***Venture Capital: We could incur significant losses in connection with venture capital investments.***

Through Sapphire Ventures, our consolidated venture investment funds, we plan to continue investing in new and promising technology businesses.

This could lead to the following risks, among others:

- Investments could generate net losses and/or require additional expenditures from their investors.
- Changes to planned business operations might affect the performance of companies in which Sapphire Ventures holds investments.
- Tax deductibility of capital losses and impairment in connection with equity securities are often restricted and could therefore have an adverse effect on our effective tax rate.

Any one or more of these events could have an adverse effect on our business, financial position, profit, and cash flows.

## **Human Capital Risks**

***Human Workforce: If we are unable to attract, develop, retain, and effectively manage our geographically dispersed workforce, we might not be able to run our business and operations efficiently and successfully, or develop successful new solutions and services.***

Our success is dependent on appropriate alignment of our planning processes for our highly skilled and specialized workforce and leaders, both male and female, adequate resource allocation, and our location strategy with our general strategy. In certain regions and specific technology and solution areas, we continue to set very high growth targets, depending on short-term and long-term skill requirements, taking infrastructure needs as well as local legal or tax regulations in consideration. Successful retention and expansion of our highly skilled and specialized workforce in identified strategic areas, are key success factors for our transition to become the Experience Company powered by the Intelligent Enterprise. The availability of such personnel as well as business experts is limited and, as a result, competition in our industry is intense.

We could face risks in the following areas, among others:

- Failure to apply workforce planning processes, adequate resource allocation, and location strategy in alignment with our general strategy
- Failure to identify, attract, develop, motivate, adequately compensate, and retain well-qualified and engaged personnel to scale to targeted markets

- Failure to successfully maintain, upskill, and expand our highly skilled and specialized workforce
- Poor succession management or failure to find adequate replacements
- Loss of key personnel of acquired business
- Failure to meet short-term and long-term workforce and skill requirements including achievement of internal gender diversity objectives
- Lack of appropriate or inadequately executed benefit and compensation programs
- Lack of availability and scalability of business experts and consultants
- Mismatch of expenses and revenue due to changes in headcount and infrastructure needs, as well as local legal or tax regulations
- Challenges with effectively managing a large distribution network of third-party companies

Any one or more of these events could reduce our ability to attract, develop, retain, and effectively manage our geographically dispersed workforce, which in turn could have an adverse effect on our business, financial position, profit, and cash flows.

### **Operational Business Risks**

***Cybersecurity and Security: A cybersecurity attack or breach, or cybersecurity vulnerabilities in our products, infrastructure, or services, or economic espionage could result in significant legal and financial exposure and have a material adverse effect on our customers, partners, financial performance, profit, cash flows, operations, brand, reputation, competitive position, the perception of our products and services by current and prospective customers, and our business in general.***

As we continue to grow organically and through acquisitions, deliver a full portfolio of solutions via the cloud, host or manage elements of our customers' businesses in the cloud, process large amounts of data and offer more mobile solutions to users, in each case either directly or through partners and other third parties, we face a progressively more complex and threatening cybersecurity environment. The severity of the challenges posed by this cybersecurity environment is amplified due to the increasingly sophisticated and malicious global cybersecurity threat landscape in which we operate, including third-party data, products, and services that we incorporate into SAP products and services, and the continually evolving and increasingly advanced techniques employed by threat actors targeting IT products and businesses in general. Such threat actors include, but are not limited to, highly sophisticated parties such as nation-states and organized criminal syndicates. As a leading cloud company and service provider to some of the largest and best-known customers in the world, we are naturally a prominent target for cybersecurity attacks. We have observed increased threat activity to our products and systems, and we experience cybersecurity attacks of varying types and degrees on a regular basis. When we become aware of unauthorized access to our systems, we take steps intended to identify and remediate the source and impact of the incursions, and steps to comply with related necessary notification and disclosure obligations. To date, none of the incursions we have identified has had a material adverse effect on our business. However, we do not have visibility into all unauthorized incursions, and our systems may be experiencing ongoing incursions of which we are not aware. In addition, while we are continually taking steps to enhance our cybersecurity defenses, increased investments, coordination, and resources are required to achieve our objective of ensuring over time that our cybersecurity infrastructure meets or exceeds evolving industry standards. Achieving this objective will require continued effort and vigilance, including sustained investment of money and management resources in order to support the ongoing development and maintenance of systems that meet these standards. As a result, we are subject to risks and associated consequences in the following areas, among others:

- Identified or undetected cybersecurity defects and vulnerabilities
- Increased complexity and risk of exploitation due to utilization of open-source software components
- Exposure of our business operations and service delivery due to a number of threats, including virtual attack, disruption, damage, and/or unauthorized access, theft, destruction, industrial and/or economic espionage, serious or organized crime, and other illegal activities, as well as violent extremism and terrorism
- Abuse of data, social engineering, misuse, or trespassers in our facilities, or systems being rendered unusable
- State-driven economic espionage or competitor-driven industrial espionage, and criminal activities including, but not limited to, cyberattacks and breaches against cloud services and hosted on-premise software, whether managed by us or our customers, partners, or other third parties
- Disruptions to back-up, disaster recovery, or business continuity management processes

- Disruptions due to exposure of our network systems to cybersecurity attacks via defects and vulnerabilities in the IT systems of our customers, or in the systems of third parties that facilitate our business activities such as cloud service providers, including those that are beyond SAP's cybersecurity infrastructure and protocols
- Failure to securely and successfully deliver cloud services by any cloud service provider could have a negative impact on customer trust in cloud solutions
- Cybersecurity threats for SAP and customers due to delayed or insufficient responses to identified cybersecurity issues attributable to complexity, interdependencies or other factors
- Challenges in effectively synchronizing cybersecurity processes across our various lines of business in a heterogeneous environment
- Insufficient or ineffective asset management potentially endangering secure operations
- Customer systems or systems operated by SAP being compromised by vulnerabilities due to threat actor exploitation
- Operational disruptions due to an increasing number of destructive malware, ransomware, or other cybersecurity attacks
- Breach of cybersecurity measures due to, for example but not limited to, employee error or wrongdoing, system vulnerabilities, malfunctions, or attempts of third parties to fraudulently induce employees, users, partners, or customers to gain access to our systems, data, or customers' data
- Failure to maintain a sufficient complement of personnel with sufficient levels of knowledge, experience, and training in cybersecurity matters necessary to support SAP's evolving cybersecurity needs and commensurate with the increasingly complex and sophisticated threat landscape
- Increased challenges due to an expanding and morphing cyber-attack surface attributable to interconnected technologies such as Internet of Things (IoT) accompanied by an elevation of entry and endpoints
- Expansion of cybersecurity attack surface due to increased connectivity of operational data
- Material recovery costs as well as significant contractual and legal claims by customers, partners, authorities (including state, federal, and non-U.S.), and third-party service providers which could expose us to significant expense and liability and/or result in the issuance of orders, judgments, or consent decrees that could require us to modify our business practices
- Material costs to attempt to detect, prevent, and mitigate any successful attacks, including but not limited to the costs of third-party legal and cybersecurity experts and consultants, insurance costs, additional personnel and technologies, organizational changes, and incentives to customers and partners to compensate for any losses and/or retain their business
- Increasing sophistication, proliferation, and escalation in frequency, severity, and impact of cybersecurity attacks
- Inability to discover a cybersecurity breach or a loss of information either fully, in a timely manner, for a significant amount of time after the breach, or at all
- Inability to anticipate attacks or implement sufficient mitigating measures
- Insufficient investment, coordination, or resources to achieve our objective of ensuring over time that our cybersecurity infrastructure meets or exceeds evolving industry standards, and defending against the ever-evolving and emerging threat landscape
- Material costs and time associated with enhancing our cybersecurity infrastructure, which may impact the ongoing pace of development and delivery of our products and services, and our financial performance
- Failure to integrate SAP's cybersecurity infrastructure and protocols with other network systems obtained through acquisition, including addressing cybersecurity defects and vulnerabilities in acquired systems
- Failure to maintain SAP's cybersecurity infrastructure and protocols in connection with the divestiture of businesses and network systems from SAP
- Inaccurate or incomplete third-party or SAP audit results, certifications, or representations concerning the adequacy of our cybersecurity infrastructure and protocols
- Customer concerns and loss of confidence in the current or future security and reliability of our products and services, including cloud solutions, and the resulting termination of key contracts by customers and partners

Any one or more of these events could have a material adverse effect on our business, financial position, profit, and cash flows.

***Sales and Services: Sales and implementation of SAP software and services, including cloud, are subject to a number of significant risks sometimes beyond our direct control.***

A core element of our business is the successful implementation of software and service solutions. The implementation of SAP software and cloud-based service deliveries is led by SAP, by partners, by customers, or by a combination thereof.

However, we might encounter risks in the following areas, among others:

- Implementation risks, if, for example, implementations take longer than planned, or fail to generate the profit originally expected, scope deviations, solution complexity, individual integration and migration needs or functional requirement changes, or insufficient milestone management and tracking leading to delays in timeline, maybe even exceeding maintenance cycles of solutions in scope
- Insufficient or incorrect information provided by the customer, subsequently leading to requirement or technology mismatches
- Insufficient customer expectation management, including scope, integration capabilities and aspects, as well as lack in purposeful selection, implementation, and utilization of SAP solutions
- Lack of customer commitments and respective engagements, including lack of commitment of resources, leading to delays or deviations from recommended best practices
- Challenges to effectively implement acquired technologies
- Challenges to achieve a seamlessly integrated and aligned service delivery in complex deliveries or implementations, for example due to lack of insights especially in the event of limited project involvement of SAP
- Protracted installation or significant third-party consulting costs
- Improper calculations or estimates leading to costs exceeding the fees agreed in fixed-price contracts
- Unrenderable services committed during the sales stage
- Delayed customer payments due to differing perception on project outcome/results or customer solvency challenges
- Inadequate contracting and consumption models based on subscription models for services, support, and application management
- Deviations from standard terms and conditions, which may lead to an increased risk exposure
- Statements on solution developments might be misperceived by customers as commitments on future software functionalities

Any one or more of these events could have an adverse effect on our business, financial position, profit, and cash flows.

***Partner Ecosystem: If we are unable to scale, maintain, and enhance an effective partner ecosystem, revenue might not increase as expected.***

An open and vibrant partner ecosystem is a fundamental pillar of our success and growth strategy. We have entered into partnership agreements that drive co-innovation on our platforms, profitably expand all our routes to market to optimize market coverage, optimize cloud delivery, and provide high-quality services capacity in all market segments. Partners play a key role in driving market adoption of our entire solutions portfolio, by co-innovating on our platforms, embedding our technology, and reselling and/or implementing our software.

These partnerships could lead to risks in the following areas, among others:

- Failure to establish and enable a network of qualified partners supporting our scalability needs
- Failure to get the full commitment of our partners, which might reduce speed and impact in market reach
- Products or services model being less strategic and/or attractive compared to our competition
- Partners might not renew agreements with us, or not enter into new agreements on terms acceptable to us or at all or start competing with SAP
- Failure to enable or train sufficient partner resources to promote, sell, and support to scale to targeted markets
- Partners might not develop a sufficient number of new solutions and content on our platforms or might not provide high-quality products or services to meet customer expectations.

- Partners might not embed our solutions sufficiently enough to profitably drive product adoption, especially with innovations such as SAP S/4HANA, SAP C/4HANA, and SAP Cloud Platform.
- Partners might not adhere to applicable legal and compliance regulations.
- Partners and their products might not meet quality requirements expected by our customers or SAP.
- Partners might not transform their business model in accordance with the transformation of SAP's business model in a timely manner.
- Partners might not be able or might not have capacity to meet customer expectations in terms of service provisioning.
- Partners might fail to comply with contract terms in embargoed or high-risk countries.

If one or more of these risks materialize, this might have an adverse effect on the demand for our products and services as well as the partner's loyalty and ability to deliver. As a result, we might not be able to scale our business to compete successfully with other vendors, which could have an adverse effect on our reputation, business, financial position, profit, and cash flows.

***Cloud Operations: We may not be able to properly protect and safeguard our critical information and assets, business operations, cloud offerings and portfolio presentation, and related infrastructure against disruption or poor performance.***

SAP is highly dependent on the availability of our infrastructure, and the software used in our cloud portfolio is inherently complex.

This could lead to risks impacting successful cloud operations, such as:

- Capacity shortage and SAP's inability to deliver and operate cloud services in a timely and efficient manner as expected by or committed to our customers
- Customer concerns about the ability to scale operations for large enterprise customers
- Incomplete cloud portfolio representation or strategic directions of cloud operations that may not fully meet customer demands and potentially lead to a disconnected customer orientation
- Lack of hyperscaler availability and/or infrastructure stability, which may lead to challenges in meeting Service Level Agreement (SLA) commitments
- Lack of sufficient 'future skills' for delivering and operating hybrid environments
- Lack of tools to manage and optimize operations while providing a seamless end-to-end experience to customers
- Local legal requirements or changes to data sovereignty may lead to customers considering a reallocation of their primary or disaster recovery landscapes to a different data center
- Defects or disruption to data center operations or system stability and availability
- The certification provisioning may not always be exhaustively published in the SAP Trust Center and subsequently lead to incorrect customer perceptions
- Interruptions in the availability of SAP's cloud applications portfolio could potentially impact customer service level agreements
- System outages or downtimes, failure of the SAP network due to human or other errors, security breaches, or variability in user traffic for cloud applications
- Hardware failures or system errors resulting in data loss, corruption, or incompleteness of the collected information
- Loss of the right to use hardware purchased or leased from third parties could result in delays in our ability to provide our cloud applications
- Scalability demands on infrastructure and operation could lead to cost increase and margin impacts
- Non-adherence to our quality standards in the context of partner co-location of data centers
- Increased Total Cost of Ownership (TCO) for SAP
- Customers' cloud service demands might not match our data center capacity investments
- Non-compliance with applicable certification requirements, such as Payment Card Industry Data Security Standard (PCI DSS)

Any one or more of these events could have a material adverse effect on our business, financial position, profit, and cash flows.



***Technology and Products: Our technology and/or products may experience undetected defects, coding or configuration errors, may not integrate as expected, or may not meet customer expectations.***

Our product strategy and development investment, including new product launches and enhancements, are subject to risks in the following areas, among others:

- Software products and services might not fully meet market needs or customer expectations
- Software products and services from acquired companies might not fully comply with SAP quality standards
- We might not be as fast as expected in integrating our platforms and solutions, enabling the complete product and cloud service
- portfolio, harmonizing our user interface design and technology, integrating acquired technologies and products, or bringing packages, services, or new solutions based on the SAP HANA platform as well as SAP Cloud Platform to the market.
- New products, services, and cloud offerings, including third-party technologies, might not comply with local standards and requirements or might contain defects or might not be mature enough from the customer's point of view for business-critical solutions after shipment despite all the due diligence SAP puts into quality.
- Inability to define and provide adequate solution packages and scope for all customer segments
- Inability of algorithms to correctly adapt to evolving circumstances may lead to adverse decision-making processes in the context of artificial intelligence related technologies
- Inability to fulfil expectations of customers regarding time and quality in the defect resolution process
- Lack of customer references for new products and solutions

Any one or more of these events could have an adverse effect on our business, financial position, profit, and cash flows.

### **Strategic Risks**

***Market Share and Profit: Our market share and profit could decline due to increased competition, market consolidation, technological innovation, and new business models in the software industry.***

The market for cloud computing is increasing and shows strong growth relative to the market for on-premise solutions. To maintain or improve our operating results in the cloud business, it is important that our customers renew their agreements with us when the initial contract term expires and purchase additional modules or additional capacity, as well as for us to attract new customers. Additionally, we need to bring new solutions based on the SAP HANA business data platform, new technologies, as well as SAP Cloud Platform to the market in line with demands and ahead of our competitors. In particular, innovative applications supporting the Intelligent Enterprise such as SAP S/4HANA, SAP C/4HANA, or newer technologies such as Internet of Things, machine learning, robotic process automation (RPA), which automates rule-based, repetitive tasks, digital assistants (including voice recognition and interaction), and blockchain.

Factoring in the aforementioned, this could lead to risks in the following areas, among others:

- Inability to successfully engage with on-premise customers on their cloud transformation journey with fully suitable solutions and transformation services
- Inability to successfully execute our strategy for integrating hyperscalers
- Adverse revenue effects due to increasing cloud business and conversions from on-premise licenses to cloud subscriptions from existing SAP customers, which could have an adverse effect on related maintenance and services revenue
- Insufficient solution and service adoption together with increased complexity, as well as failures during the execution of our intelligent enterprise strategy in the context of our portfolio for solutions and services could lead to a loss of SAP's position as a leading cloud company and subsequently to reduced customer adoption.
- Customers and partners might be reluctant or unwilling to migrate and adapt to the cloud, or they might consider cloud offerings from our competitors.
- Existing customers might cancel or not renew their contracts (such as maintenance or cloud subscriptions) or decide not to buy additional products and services.
- The market for cloud business might not develop further, or it might develop more slowly than anticipated.

- Strategic alliances among competitors and/or their growth-related efficiency gains in the cloud area could lead to significantly increased competition in the market with regards to pricing and ability to integrate solutions.
- Price pressure, cost increases, and loss of market share through traditional, new, and especially cooperating competitors and hyperscalers
- Inability to achieve the planned margin increase in time as planned

Any one or more of these events could have an adverse effect on our business, financial position, profit, and cash flows.

***Mergers and Acquisitions: We might not acquire and integrate companies effectively or successfully.***

To expand our business, we acquire businesses, products, and technologies, and we expect to continue doing so in the future. Over time, certain of these acquisitions have increased in size and in strategic importance for SAP. Management negotiation of potential acquisitions and the integration of acquired businesses, products, or technologies demands time, focus, and resources of both management and workforce, and exposes us to unpredictable operational difficulties.

Acquiring businesses, products, and technologies may present risks to SAP, including risks related to the following areas, among others:

- Incorrect information or assumptions during the due diligence process for the acquisition (including information or assumptions related to the business environment and/or business and licensing models)
- Failure to integrate acquired technologies or solutions successfully and profitably into SAP's solution portfolio and strategy
- Failure to successfully integrate acquired entities, operations, cultures, or languages, all within the constraints of applicable local laws
- Unfulfilled needs of the acquired company's customers or partners
- Material unidentified liabilities of acquired companies (including legal, tax, IP)
- Failure in implementing, restoring, or maintaining internal controls, disclosure controls and procedures, and policies within acquired companies
- Incompatible practices or policies (compliance requirements)
- Insufficient integration of the acquired company's accounting, HR, and other administrative systems
- Failure to coordinate or successfully integrate the acquired company's research and development (R&D), sales, marketing activities, and security and cybersecurity protocols
- Debt incurrence or significant unexpected cash expenditures
- Non-compliance with existing SAP standards including applicable product standards such as our open source product standards
- Impairment of goodwill and other intangible assets acquired in business combinations
- Non-compliance of the acquired company with regulatory requirements, for example accounting standards, export control laws, and trade sanctions, for which SAP with and by the acquisition assumes responsibility and liability, including potential fines and the obligation to remedy the non-compliance

Any one or more of these events could have an adverse effect on our business, financial position, profit, and cash flows.

***Innovation: We might not be able to compete effectively if we strategize our solution portfolio ineffectively or if we are unable to keep up with rapid technological and product innovations, enhancements, new business models, and changing market expectations.***

Our future success depends on our ability to keep pace with technological and process innovations and new business models, as well as on our ability to develop new products and services, enhance and expand our existing products and services portfolio, and integrate products and services we obtain through acquisitions. To be successful, we are required to adapt our products and our go-to-market approach to a cloud-based delivery and consumption model to satisfy increasing customer demand and to ensure an appropriate level of adoption, customer satisfaction, and retention.

Considering preceding dependencies, this could lead to risks in the following areas, among others:

- Inability to bring new business models, solutions, solution enhancements, intelligent technologies, integrations and interfaces, and/or services to market before our competitors or at equally favorable terms
- Inability to develop and sell new cloud products spanning various organizations on time and in line with market demands due to complexity in heterogeneous technical environments
- Inability to anticipate and develop technological improvements or succeed in adapting SAP products, services, processes, and business models to technological change, changing regulatory requirements, emerging industry standards, and changing requirements of our customers and partners (especially with innovations such as SAP S/4HANA, SAP C/4HANA, and SAP Cloud Platform) to support the intelligent enterprise strategy
- Uncertainties regarding new SAP solutions, technologies, and business models as well as delivery and consumption models might lead customers to wait for proofs of concept or holistic integration scenarios through reference customers or more mature versions
- Lower level of adoption of our new solutions, technologies, business models, and flexible consumption models, or no adoption at all
- Our product and technology strategy might not be successful, or our customers and partners might not adopt our technology platforms, applications, or cloud services quickly enough or they might consider other competing solutions in the market, or our strategy might not match customers' expectations, specifically in the context of expanding the product portfolio into additional markets.
- Increasing competition from open source software initiatives, or comparable models in which competitors might provide software and intellectual property free and/or at terms and conditions unfavorable for SAP
- Inability to drive growth of references through customer use cases and demo systems

Any one or more of these events could have an adverse effect on our business, financial position, profit, and cash flows.

## **Risk factors in respect of the Notes**

### **Risks relating to the Nature of the Notes**

#### ***Liquidity Risk***

Application has been made to list the Notes to be issued on the official list of the Luxembourg Stock Exchange and to admit the Notes to trading on the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*). However, there can be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. In an illiquid market, an investor might not be able to sell his Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons.

#### ***Market Price Risk***

The development of market prices of the Notes depends on various factors, such as changes of the current interest rate on the capital market ("**Market Interest Rate**") levels, the policies of central banks, overall economic developments, inflation rates or the lack of or excess demand for the relevant type of Notes. The holders of Notes are therefore exposed to the risk of an unfavorable development of market prices of their Notes which materialize if the holders sell the Notes prior to the final maturity of such Notes. If a holder of Notes decides to hold the Notes until final maturity, the Notes will be redeemed at their principal amount.

### **Risks relating to Specific Terms and Conditions of the Notes**

#### ***Risk of Early Redemption***

The Issuer has the right to call the Notes prior to maturity (optional call right). If the Issuer redeems the Notes prior to maturity or the Notes are subject to early redemption due to an early redemption event, a holder of such Notes (in case of the 2026 Notes and the 2029 Notes) is exposed to the risk that due to such early redemption his investment will have a lower than expected yield.

In case of an early redemption of the Notes, an investor may not be able to reinvest the redemption proceeds in comparable securities with an effective interest rate as high as that of the redeemed Notes.

#### ***Currency Risk***

The Notes are denominated in euro. Potential investors should bear in mind that an investment in the Notes involves currency risks. This presents certain risks relating to currency conversions if a holder's financial activities are denominated principally in a currency or currency unit (the "**investor's currency**") other than euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of the euro or revaluation of the investor's currency) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls. An appreciation in the value of the investor's currency relative to the euro would decrease (i) the investor's currency-equivalent yield on the Notes, (ii) the investor's currency equivalent value of the principal payable on the Notes and (iii) the investor's currency-equivalent market value of the Notes. In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, holders of the Notes may receive less interest or principal than expected, or no interest or principal.

#### ***Fixed Rate Notes***

A holder of a fixed rate note (such as the 2023 Notes, the 2026 Notes and the 2029 Notes) is exposed to the risk that the price of such Note falls as a result of changes in the Market Interest Rate. While the nominal interest rate of a fixed rate note as specified in the Terms and Conditions is fixed during the life of such Note, Market Interest Rate typically changes on a daily basis. As the Market Interest Rate changes, the price of a fixed rate note also changes, but in the opposite direction. If the Market Interest Rate increases, the price of a fixed rate note typically falls, until the yield of such Note is approximately equal to the Market Interest Rate. If the Market Interest Rate falls, the price of a fixed rate note typically increases, until the yield of such Note is approximately equal to the Market Interest Rate. If the holder of

a fixed rate note holds such Note until maturity, changes in the Market Interest Rate are without relevance to such holder as the Note will be redeemed at a specified redemption amount, usually the principal amount of such Note.

### **Risks relating to Laws and Regulations applicable to the Notes**

#### ***Risks in connection with the application of the German Act on Issues of Debt Securities (Gesetz über Schuldverschreibungen aus Gesamtemissionen)***

A holder is subject to the risk of being outvoted and of losing rights against the Issuer against his will in the case that other holders agree to amendments of the Conditions by majority vote according to the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* – "**SchVG**"). *Inter alia*, holders may decide that a request of other holders holding at least one-tenth in the principal amount of Notes then outstanding to declare their Notes due in the events specified in § 9 (1) (b) or (1) (c) shall not be valid. In the case of an appointment of a common representative (*gemeinsamer Vertreter*) for all holders, the holders may lose, in whole or in part, the possibility to individually enforce and claim their rights against the Issuer.

### **Risks relating to the Issuer's Solvency**

#### ***The market value of the Notes could decrease if the creditworthiness of the Issuer worsens***

If, e.g., because of the materialization of any of the risks regarding the Issuer, the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due decreases, the market value of the Notes will suffer. In addition, even if the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Issuer could adversely change.

If any of these risks occurs, third parties would only be willing to purchase Notes for a lower price than before the materialization of said risk. Under these circumstances, the market value of the Notes will decrease.

#### ***No restriction on the amount of debt which the Issuer may incur in the future***

There is no restriction on the amount of debt which the Issuer may issue which ranks equal to the Notes. Such issuance of further debt may reduce the amount recoverable by the holders upon winding-up or insolvency of the Issuer.

## TERMS AND CONDITIONS FOR THE 2023 NOTES, THE 2026 NOTES AND THE 2029 NOTES

The Conditions applicable to fixed rate Notes (the "**Conditions**") and the English language translation thereof, are as set out below.

Die für die festverzinslichen Schuldverschreibungen geltenden Bedingungen (die "**Bedingungen**") sowie die englischsprachige Übersetzung sind wie nachfolgend aufgeführt.

### TERMS AND CONDITIONS OF NOTES

#### § 1

#### CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency; Denomination.* The 0.000 per cent. Notes due 17 May 2023 (the "**2023 Notes**"), the 0.125 per cent. Notes due 18 May 2026 (the "**2026 Notes**") and the 0.375 per cent. Notes due 18 May 2029 (the "**2029 Notes**" and, together with the 2023 Notes and the 2026 Notes, the "**Notes**") of SAP SE (the "**Issuer**") are being issued in Euro (the "**Specified Currency**") in the aggregate principal amount of EUR 600,000,000 (in words: Euro six hundred million) in relation to the 2023 Notes, in the aggregate principal amount of EUR 600,000,000 (in words: Euro six hundred million) in relation to the 2026 Notes and in the aggregate principal amount of EUR 800,000,000 (in words: Euro eight hundred million) in relation to the 2029 Notes in denominations of EUR 100,000 (the "**Specified Denominations**").

(2) *Form.* The Notes are being issued in bearer form.

(3) *Temporary Global Note – Exchange.*

(a) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without interest coupons. The Temporary Global Note will be exchangeable for Notes in the Specified Denomination represented by a permanent global note (the "**Permanent Global Note**" and, collectively with the Temporary Global Note, the "**Global Notes**" and each a "**Global Note**") without interest coupons. The details of such exchange shall be entered in the records of the ICSDs (as defined below). The Temporary Global Note and the

### EMISSIONSBEDINGUNGEN DER SCHULDVERSCHREIBUNGEN

#### § 1

#### WÄHRUNG, STÜCKELUNG, FORM, BEGRIFFSBESTIMMUNGEN

(1) *Währung; Stückelung.* Die 0,000 % Schuldverschreibungen fällig 17. Mai 2023 (die "**2023 Schuldverschreibungen**"), die 0,125 % Schuldverschreibungen fällig 18. Mai 2026 (die "**2026 Schuldverschreibungen**") und die 0,375 % Schuldverschreibungen fällig 18. Mai 2029 (die "**2029 Schuldverschreibungen**", zusammen mit den 2023 Schuldverschreibungen und den 2026 Schuldverschreibungen die "**Schuldverschreibungen**") der SAP SE (die "**Emittentin**") werden in Euro (die "**festgelegte Währung**") im Gesamtnennbetrag von EUR 600.000.000 (in Worten: Euro sechshundert Millionen) in Bezug auf die 2023 Schuldverschreibungen, im Gesamtnennbetrag von EUR 600.000.000 (in Worten: Euro sechshundert Millionen) in Bezug auf die 2026 Schuldverschreibungen und im Gesamtnennbetrag von EUR 800.000.000 (in Worten: Euro achthundert Millionen) in Bezug auf die 2029 Schuldverschreibungen in Stückelungen von EUR 100.000 (die "**festgelegten Stückelungen**") begeben.

(2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.

(3) *Vorläufige Globalurkunde – Austausch.*

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird gegen Schuldverschreibungen in der festgelegten Stückelung, die durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**" und zusammen mit der vorläufigen Globalurkunde die "**Globalurkunden**" und jede eine "**Globalurkunde**") ohne Zinsscheine verbrieft sind, ausgetauscht. Die Einzelheiten eines solchen Austausches werden in die Aufzeichnungen

Permanent Global Note shall each be signed by authorized signatories of the Issuer and shall bear a manual control signature of or on behalf of the Fiscal Agent. Definitive Notes and interest coupons will not be issued.

- (b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the "**Exchange Date**") not later than 180 days after the date on which the Notes represented by the Temporary Global Note were issued (the "**Issue Date**"). The Exchange Date will not be earlier than 40 days after the Issue Date. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the Issue Date of the Notes represented by the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 1(3). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States.

For the purposes of these Conditions of Issue, "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

- (4) *Clearing System.* Each global note representing the Notes will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means each of the following: Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV, Brussels as operator of the Euroclear System ("**Euroclear**") and any successor in such

der ICSDs (wie nachstehend definiert) aufgenommen. Die vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind mit einer eigenhändigen Kontrollunterschrift der Emissionsstelle oder in deren Namen versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

- (b) Die vorläufige Globalurkunde wird an einem Tag (der "**Austauschtag**") gegen die Dauerglobalurkunde ausgetauscht, der nicht mehr als 180 Tage nach dem Tag liegt, an dem die durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen begeben wurden (der "**Begebungstag**"). Der Austausch darf nicht weniger als 40 Tage nach dem Begebungstag liegen. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine vorläufige Globalurkunde verbriefte Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist für jede solche Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Begebungstag der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde gemäß Absatz (b) dieses § 1 Absatz (3) auszutauschen. Wertpapiere, die im Austausch für die vorläufige Globalurkunde geliefert werden, dürfen nur außerhalb der Vereinigten Staaten geliefert werden

Für die Zwecke dieser Anleihebedingungen bezeichnet "**Vereinigte Staaten**" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Rico, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).

- (4) *Clearing System.* Die Schuldverschreibungen verbriefende Globalurkunde wird von einem Clearing System oder im Namen eines Clearing Systems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. "**Clearing System**" bedeutet jeweils folgendes: Clearstream Banking S.A., Luxemburg ("**CBL**") und Euroclear Bank SA/NV, Brüssel, als Betreiberin des

capacity. "**International Central Securities Depository**" or "**ICSD**" means each of CBL and Euroclear (together, the "**ICSDs**").

Euroclear Systems ("**Euroclear**") sowie jeder Funktionsnachfolger. "**International Central Securities Depository**" oder "**ICSD**" bezeichnet jeweils CBL und Euroclear (zusammen die "**ICSDs**").

- (5) *Holder of Notes.* "**Holder**" means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes.
- (6) *Register of ICSDs.* The Notes are issued in new global note ("**NGN**") form and are kept in custody by a common safekeeper on behalf of both ICSDs. The principal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the principal amount of Notes represented by the Global Note and, for these purposes, a statement issued by an ICSD stating the principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time. On any redemption or interest payment being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the Issuer shall procure that details of any redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered pro rata in the records of the ICSDs and, upon any such entry being made, the principal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled. On an exchange of a portion only of the Notes represented by the Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered *pro rata* in the records of the ICSDs.
- (5) *Gläubiger von Schuldverschreibungen.* "**Gläubiger**" bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den Schuldverschreibungen.
- (6) *Register der ICSDs.* Die Schuldverschreibungen werden in Form einer New Global Note ("**NGN**") ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt. Der Nennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind schlüssiger Nachweis über den Nennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen und eine zu diesen Zwecken von einem ICSD jeweils ausgestellte Bestätigung mit dem Nennbetrag der so verbrieften Schuldverschreibungen ist zu jedem Zeitpunkt ein schlüssiger Nachweis über den Inhalt des Registers des jeweiligen ICSD. Bei Rückzahlung oder Zinszahlung bezüglich der durch die Globalurkunde verbrieften Schuldverschreibungen bzw. bei Kauf und Entwertung der durch die Globalurkunde verbrieften Schuldverschreibungen stellt die Emittentin sicher, dass die Einzelheiten über jede Rückzahlung und Zahlung bzw. Kauf und Entwertung bezüglich der Globalurkunden pro rata in die Unterlagen der ICSDs eingetragen werden, und nach dieser Eintragung vom Nennbetrag der in die Register der ICSDs aufgenommenen und durch die Globalurkunde verbrieften Schuldverschreibungen der Gesamtnennbetrag der zurückgezahlten bzw. gekauften und entwerteten Schuldverschreibungen abgezogen wird. Bei Austausch nur eines Teils von Schuldverschreibungen, die durch die vorläufige Globalurkunde verbrieft sind, wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs *pro rata* in die Register der ICSDs aufgenommen werden.



§ 2  
STATUS, NEGATIVE PLEDGE

- (1) *Status*. The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.
- (2) *Negative Pledge of the Issuer*. The Issuer undertakes, so long as any of the Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Paying Agent, (i) not to provide any mortgage, charge, pledge, lien or other form of *in rem* encumbrance or security interest (each a "**Security Interest**") over the whole or any part of its assets to secure any Capital Market Indebtedness (as defined below) and (ii) to procure (to the extent legally possible and permissible) that none of its Principal Subsidiaries will grant any Security Interest over the whole or any part of its assets, as security for any Capital Market Indebtedness issued by the respective Principal Subsidiary, without at the same time letting the Holders share *pari passu* in such Security Interest or giving to the Holders an equivalent Security Interest.

The undertaking pursuant to this subsection (2) shall not apply to a security (i) which is mandatory according to applicable laws, or (ii) which is required as a prerequisite for governmental approvals, or (iii) which is provided by any company of the Group (the "**Subsidiary**") upon any claims of the Subsidiary against any other company of the Group or any third party, which claims exist now or arise at any time in the future as a result of the passing on of the proceeds from the sale by the Subsidiary of any Capital Market Indebtedness, provided that any such security serves to secure obligations under such Capital Market Indebtedness of the Subsidiary, or (iv) which secures a Capital Market Indebtedness that becomes an obligation of the Issuer or the Group as a consequence of a future acquisition, provided that such Capital Market Indebtedness was not created in contemplation of such future acquisition.

Any security which is to be provided pursuant to this subsection (2) may also be provided to a person

§ 2  
STATUS, NEGATIVVERPFLICHTUNG

- (1) *Status*. Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.
- (2) *Negativverpflichtung der Emittentin*. Die Emittentin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen der Zahlstelle zur Verfügung gestellt worden sind, (i) keine Grund- und Mobiliarpfandrechte, sonstige Pfandrechte oder sonstige dingliche Sicherungsrechte (jedes ein "**Sicherungsrecht**") in Bezug auf ihr gesamtes Vermögen oder Teile davon zur Sicherung von anderen Kapitalmarktverbindlichkeiten (wie nachstehend definiert) zu gewähren und (ii) ihre Wesentlichen Tochtergesellschaften zu veranlassen (soweit rechtlich möglich und zulässig), ihr Vermögen weder ganz noch teilweise zur Besicherung einer Kapitalmarktverbindlichkeit, die von der jeweiligen Wesentlichen Tochtergesellschaft eingegangen ist, mit Sicherungsrechten zu belasten, ohne gleichzeitig die Gläubiger gleichrangig an einem solchen Sicherungsrecht zu beteiligen oder ihnen ein gleichwertiges Sicherungsrecht zu gewähren.

Die Verpflichtung nach diesem Absatz (2) besteht jedoch nicht für solche Sicherheiten, (i) die gesetzlich vorgeschrieben sind, oder (ii) die als Voraussetzung für staatliche Genehmigungen verlangt werden, oder (iii) die von einer Gesellschaft der Gruppe (die "**Tochter**") an Forderungen bestellt werden, die ihr aufgrund der Weiterleitung von aus dem Verkauf von Kapitalmarktverbindlichkeiten erzielten Erlösen gegen Gesellschaften der Gruppe oder sonstige Dritte gegenwärtig oder zukünftig zustehen, sofern solche Sicherheiten der Besicherung von Verpflichtungen aus den jeweiligen Kapitalmarktverbindlichkeiten der Tochter dienen, oder (iv) die eine Kapitalmarktverbindlichkeit besichern, die eine Verpflichtung der Emittentin oder der Gruppe infolge einer zukünftigen Akquisition wird, sofern diese Kapitalmarktverbindlichkeit nicht im Hinblick auf diese zukünftige Akquisition begründet wurde.

Eine nach diesem Absatz (2) zu leistende Sicherheit kann auch zu Gunsten der Person eines Treuhänders

acting as trustee for the Holders.

For the purposes of this § 2, "**Capital Market Indebtedness**" shall mean any present or future indebtedness (whether being principal, premium, interest or other amounts) of the Issuer or of a Principal Subsidiary in respect of borrowed money which is in the form of, or represented by, bonds, notes or any similar securities which are or are capable of being quoted, listed or traded on any stock exchange or over-the-counter securities market or certificates of indebtedness (*Schuldscheindarlehen*) governed by German law.

"**Principal Subsidiary**" means a (direct or indirect) subsidiary of the Issuer (a) which is directly or indirectly controlled by the Issuer; (b) in which the Issuer holds directly or indirectly the majority of the shares; or (c) for which the Issuer is able to directly or indirectly exercise the majority of voting rights; for the purposes of this definition an entity shall be seen as controlled by the Issuer, if the Issuer is able to direct the business of such entity and/or is able to appoint the members of the board of directors or the respective equivalent body. The prerequisite for the classification as Principal Subsidiary within the meaning of (a), (b) or (c) of these Conditions is that the unconsolidated turnover of the respective subsidiary is equal to or exceeds 5 per cent. of the consolidated turnover of the Group, whereas, for the avoidance of doubt, (i) such calculation shall be based on the information relating to the consolidated turnover of the Group as disclosed in each audited consolidated annual financial statements and the revenues of the subsidiaries as disclosed in the subsidiaries' list set forth in the notes to such financial statements and (ii) a (direct or indirect) subsidiary begins and ceases, as the case may be, to so constitute a Principal Subsidiary as from the date of publication of the relevant subsidiaries' list.

"**Group**" means the Issuer and all of its consolidated subsidiaries from time to time.

### § 3 INTEREST

- (1) *Rate of Interest and Interest Payment Dates.* The interest rate payable on the aggregate principal amount of the Notes shall be from (and including) 18 May 2020 to (but excluding) the Maturity Date

der Gläubiger bestellt werden.

Für Zwecke dieses § 2 bedeutet "**Kapitalmarktverbindlichkeit**" jede bestehende oder zukünftige Verbindlichkeit (gleich ob Kapital, Aufgeld, Zinsen oder andere Beträge) der Emittentin oder einer Wesentlichen Tochtergesellschaft bezüglich Geldaufnahmen in Form von, oder verbrieft durch, Schuldverschreibungen, Anleihen oder ähnliche Wertpapiere, sofern sie an einer Börse oder im Freiverkehr notiert sind oder gehandelt werden oder werden können, oder Schuldscheindarlehen nach deutschem Recht.

"**Wesentliche Tochtergesellschaft**" bezeichnet eine (unmittelbare oder mittelbare) Tochtergesellschaft der Emittentin, (a) welche von der Emittentin direkt oder indirekt kontrolliert wird; (b) an der die Emittentin mittelbar oder unmittelbar die Mehrheit der Anteile hält; oder (c) bei welcher die Emittentin mittelbar oder unmittelbar die Mehrheit der Stimmrechte ausüben kann; und im Rahmen dieser Definition soll eine Gesellschaft dann als von der Emittentin kontrolliert gelten, wenn diese in der Lage ist, deren Geschäftsgang zu leiten und/oder die Besetzung des Vorstandes oder eines vergleichbaren Gremiums zu bestimmen. Als Voraussetzung zur Einbeziehung als Wesentliche Tochtergesellschaft im Sinne dieser Emissionsbedingungen gemäß (a), (b) oder (c) gilt, dass der unkonsolidierte Umsatz dieser Tochtergesellschaft 5 % oder mehr des konsolidierten Umsatzes der Gruppe ausmacht, wobei, zur Klarstellung, (i) diese Berechnung auf Basis der konsolidierten Umsatzerlöse der Gruppe, wie im jeweils aktuellen geprüften, konsolidierten Jahresabschluss der Gruppe dargestellt und den Umsätzen der Tochtergesellschaften in der Liste der Tochtergesellschaften im Konzernanhang dieses Jahresabschlusses, vorgenommen werden soll und (ii) eine (unmittelbare oder mittelbare) Tochtergesellschaft eine Wesentliche Tochtergesellschaft wird bzw. diesen Status verliert vom Tag der Veröffentlichung der relevanten Liste der Tochtergesellschaften an.

"**Gruppe**" bezeichnet die Emittentin und ihre jeweiligen konsolidierten Tochtergesellschaften.

### § 3 ZINSEN

- (1) *Zinssatz und Zinszahlungstage.* Der Zinssatz bezogen auf den Gesamtnennbetrag der Schuldverschreibungen von einschließlich 18. Mai 2020 bis zu dem Fälligkeitstag

(as defined in § 5 (1))

- a. in case of the 2023 Notes at a rate of 0.000 per cent. per annum,
- b. in case of the 2026 Notes at a rate of 0.125 per cent. per annum,
- c. in case of the 2029 Notes at a rate of 0.375 per cent. per annum.

Interest shall be payable in arrear, in case of the 2023 Notes on 17 May in each year, in case of the 2026 Notes on 18 May in each year and, in case of the 2029 Notes, on 18 May in each year (each such date, an "**Interest Payment Date**").

The first payment of interest shall be made, in case of the 2023 Notes, on 17 May 2021 (short first coupon), in case of the 2026 Notes, on 18 May 2021 and, in case of the 2029 Notes, on 18 May 2021 and will amount to

- a. in case of the 2023 Notes, EUR 0.00 per Note,
- b. in case of the 2026 Notes, EUR 125.00 per Note, and
- c. in case of the 2029 Notes, EUR 375.00 per Note.

(2) *Accrual of Interest.* If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding aggregate principal amount of the Notes beyond (and including) the due date until (but excluding) the actual redemption of the Notes at the default rate of interest established by law<sup>1</sup>.

(3) *Calculation of Interest for Partial Periods.* If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).

(4) Day Count Fraction. "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation**

(ausschließlich) (wie in § 5 (1) definiert) ist

- a. für die 2023 Schuldverschreibungen 0,000 % *per annum*,
- b. für die 2026 Schuldverschreibungen 0,125 % *per annum*,
- c. für die 2029 Schuldverschreibungen 0,375 % *per annum*.

Die Zinsen sind nachträglich für die 2023 Schuldverschreibungen am 17. Mai eines jeden Jahres, für die 2026 Schuldverschreibungen am 18. Mai eines jeden Jahres und für die 2029 Schuldverschreibungen am 18. Mai eines jeden Jahres zahlbar (jeweils ein "**Zinszahlungstag**").

Die erste Zinszahlung erfolgt für die 2023 Schuldverschreibungen am 17. Mai 2021 (kurze erste Zinsperiode), für die 2026 Schuldverschreibungen am 18. Mai 2021 und für die 2029 Schuldverschreibungen am 18. Mai 2021 und beträgt

- a. für die 2023 Schuldverschreibungen EUR 0,00 je Schuldverschreibung,
- b. für die 2026 Schuldverschreibungen EUR 125,00 je Schuldverschreibung und
- c. für die 2029 Schuldverschreibungen EUR 375,00 je Schuldverschreibung.

(2) *Auflaufende Zinsen.* Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, fallen auf den ausstehenden Gesamtnennbetrag der Schuldverschreibungen ab dem Fälligkeitstag (einschließlich) bis zum Tag der tatsächlichen Rückzahlung (ausschließlich) Zinsen zum gesetzlich festgelegten Satz für Verzugszinsen an<sup>1</sup>.

(3) *Berechnung der Zinsen für Teile von Zeiträumen.* Sofern Zinsen für einen Zeitraum von weniger als einem Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachstehend definiert).

(4) Zinstagequotient. "**Zinstagequotient**" bezeichnet im Hinblick auf die Berechnung des Zinsbetrages auf eine Schuldverschreibung für einen beliebigen

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<sup>1</sup> The default rate of interest established by law is five percentage points above the basic rate of interest published by *Deutsche Bundesbank* from time to time, sections 288 para 1, 247 of the German Civil Code (*Bürgerliches Gesetzbuch*).

Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 BGB.

**Period**): the actual number of days in the Calculation Period divided by the actual number of days in the respective Reference Period in which the Calculation Period falls (ICMA 251).

**"Reference Period"** means, in case of the 2023 Notes, the period from (and including) 17 May in each year to, but excluding, 17 May in the next following year and, in case of the 2026 Notes and the 2029 Notes, the period from (and including) 18 May in each year to, but excluding, 18 May in the next following year.

#### § 4 PAYMENTS

- (1) (a) *Payment of Principal.* Payment of principal in respect of Notes shall be made, subject to subparagraph (2) below, to the Clearing System or (if applicable) to its order for credit to the accounts of the relevant account Holders of the Clearing System.
- (b) *Payment of Interest.* Payment of interest on Notes shall be made, subject to subparagraph (2), to the Clearing System or (if applicable) to its order for credit to the relevant account Holders of the Clearing System.

Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to subparagraph (2), to the Clearing System or (if applicable) to its order for credit to the relevant account holders of the Clearing System, upon due certification as provided in § 1 (3)(b).

- (2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.
- (3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

Zeitraum (der "**Zinsberechnungszeitraum**"): die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch die tatsächliche Anzahl von Tagen in der jeweiligen Bezugsperiode, in die der Zinsberechnungszeitraum fällt (ICMA 251).

**"Bezugsperiode"** bezeichnet für die 2023 Schuldverschreibungen den Zeitraum ab dem 17. Mai eines Jahres (einschließlich) bis zum 17. Mai des nächstfolgenden Jahres (ausschließlich) und für die 2026 Schuldverschreibungen und die 2029 Schuldverschreibungen den Zeitraum ab dem 18. Mai eines Jahres (einschließlich) bis zum 18. Mai des nächstfolgenden Jahres (ausschließlich).

#### § 4 ZAHLUNGEN

- (1) (a) *Zahlungen auf Kapital.* Zahlungen auf Kapital in Bezug auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes (2) an das Clearing System oder gegebenenfalls dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.
- (b) *Zahlung von Zinsen.* Die Zahlung von Zinsen auf Schuldverschreibungen erfolgt nach Maßgabe von Absatz (2) an das Clearing System oder gegebenenfalls dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.

Die Zahlung von Zinsen auf Schuldverschreibungen, die durch die vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von Absatz (2) an das Clearing System oder gegebenenfalls dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1 (3)(b).

- (2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in der festgelegten Währung.
- (3) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.

- (4) *Payment Business Day.* If the date for payment of any amount in respect of any Note is not a Payment Business Day then the Holder shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

"**Payment Business Day**" means a day (other than a Saturday or a Sunday) on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET2) are operational to effect payments.

- (5) *References to Principal and Interest.* Reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Redemption Amount of the Notes; the Call Redemption Amount of the Notes and any premium and any other amounts which may be payable under or in respect of the Notes. Reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.

- (6) *Deposit of Principal and Interest.* The Issuer may deposit with the *Amtsgericht* in Frankfurt am Main principal or interest not claimed by Holders within twelve months after the Maturity Date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

## § 5 REDEMPTION

- (1) *Redemption at Maturity.* Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Redemption Amount on the Maturity Date. "**Maturity Date**" means in case of the 2023 Notes 17 May 2023, in case of the 2026 Notes 18 May 2026 and in case of the 2029 Notes 18 May 2029. The "**Redemption Amount**" in respect of each Note shall be its principal amount.

- (2) *Early Redemption for Reasons of Taxation.* If as a

- (4) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Zahltag am jeweiligen Geschäftsort. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

"**Zahltag**" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem das Clearing System sowie alle betroffenen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) betriebsbereit sind, um Zahlungen abzuwickeln.

- (5) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Emissionsbedingungen auf einen Kapitalbetrag der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen; den Wahl-Rückzahlungsbetrag (Call) sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbare Beträge. Bezugnahmen in diesen Emissionsbedingungen auf Zinsen auf die Schuldverschreibungen sollen, soweit anwendbar, sämtliche gemäß § 7 zahlbaren zusätzlichen Beträge einschließen.

- (6) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim *Amtsgericht* Frankfurt am Main Zins- oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt, und auf das Recht der Rücknahme verzichtet wird, erlöschen die diesbezüglichen Ansprüche der Gläubiger gegen die Emittentin.

## § 5 RÜCKZAHLUNG

- (1) *Rückzahlung bei Endfälligkeit.* Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am Fälligkeitstag zurückgezahlt. "**Fälligkeitstag**" bezeichnet im Falle der 2023 Schuldverschreibungen den 17. Mai 2023, im Falle der 2026 Schuldverschreibungen den 18. Mai 2026 und im Falle der 2029 Schuldverschreibungen den 18. Mai 2029. Der "**Rückzahlungsbetrag**" in Bezug auf jede Schuldverschreibung entspricht ihrem Nennbetrag.

- (2) *Vorzeitige Rückzahlung aus steuerlichen Gründen.*

result of any Tax Law Change (as hereinafter defined) the Issuer is required to pay Additional Amounts (as defined in § 7 herein) on the next succeeding Interest Payment Date (as defined in § 3 (1)) and this obligation cannot be avoided by the use of reasonable measures available to the Issuer, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Fiscal Agent and, in accordance with § 12 to the Holders, at their Redemption Amount, together with interest (if any) accrued to the date fixed for redemption. A "**Tax Law Change**" is (i) any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or any political subdivision or taxing authority thereof or therein affecting taxation or the obligation to pay duties of any kind, (ii) any change in, or amendment to, an official interpretation, administrative guidance or application of such laws or regulations, (iii) any action and/or decision which shall have been taken by any taxing authority, or any court of competent jurisdiction of the Federal Republic of Germany or any political subdivision or taxing authority thereof or therein, whether or not such action was taken or brought with respect to the Issuer, or (iv) any change, amendment, application, interpretation or execution of the laws of the Federal Republic of Germany (or any regulations or ruling promulgated thereunder), which change, amendment, action, application, interpretation or execution is officially proposed and would have effect on or after the date on which the last tranche of this series of Notes was issued.

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

Any such notice shall be given in accordance with § 12. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in

Sollte die Emittentin zur Zahlung von zusätzlichen Beträgen (wie in § 7 dieser Emissionsbedingungen definiert) aufgrund einer Änderung des Steuerrechts (wie nachstehend definiert) am nächstfolgenden Zinszahlungstag (wie in § 3 (1) definiert) verpflichtet sein und kann diese Verpflichtung nicht durch das Ergreifen angemessener, der Emittentin zur Verfügung stehender Maßnahmen vermieden werden, können die Schuldverschreibungen insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber der Emissionsstelle und gemäß § 12 gegenüber den Gläubigern vorzeitig gekündigt und zu ihrem Rückzahlungsbetrag zuzüglich (etwaiger) bis zu dem für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden. Eine "**Änderung des Steuerrechts**" ist (i) eine Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften der Bundesrepublik Deutschland oder deren politischen Untergliederungen oder Steuerbehörden, (ii) die Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften, (iii) jede von den Steuerbehörden oder der zuständigen Gerichtsbarkeit in der Bundesrepublik Deutschland oder deren politischen Untergliederungen oder Steuerbehörden getroffene Maßnahme/Entscheidung, unabhängig davon, ob eine derartige Maßnahme in Zusammenhang mit der Emittentin steht, oder (iv) jede Änderung, jeder Zusatz, jede Neufassung, Anwendung, Auslegung oder Durchsetzung der Gesetze der Bundesrepublik Deutschland (oder jeder dazu ergangenen Verordnung oder Regelung), der oder die offiziell vorgeschlagen wurde (vorausgesetzt, diese Änderung, dieser Zusatz, diese Neufassung, Anwendung, Auslegung oder Durchsetzung würde am oder nach dem Tag, an dem die letzte Tranche dieser Serie von Schuldverschreibungen begeben wird, wirksam werden).

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin verpflichtet wäre, solche zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig sein würde, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erfolgt, die Verpflichtung zur Zahlung von zusätzlichen Beträgen nicht mehr wirksam ist.

Eine solche Kündigung hat gemäß § 12 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine

summary form of the facts constituting the basis for the right of the Issuer so to redeem.

zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

(3) *Early Redemption at the Option of the Issuer.*

(3) *Vorzeitige Rückzahlung nach Wahl der Emittentin.*

- (a) The Issuer may, upon notice given in accordance with clause (b), redeem all or some only of the Notes within the Call Redemption Period at their principal amount together with accrued interest, if any, to (but excluding) the Call Redemption Date.

- (a) Die Emittentin kann, nachdem sie gemäß Absatz (b) gekündigt hat, die Schuldverschreibungen insgesamt oder teilweise innerhalb des/der Wahl-Rückzahlungszeitraum (Call) zum Nennbetrag nebst etwaigen bis zum Wahlrückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen.

**"Call Redemption Period"** means in relation to the 2023 Notes the period from, and including 17 April 2023 to, but excluding, the relevant Maturity Date, in relation to the 2026 Notes the period from, and including 18 February 2026 to, but excluding, the relevant Maturity Date and in relation to the 2029 Notes the period from, and including 18 February 2029 to, but excluding, the relevant Maturity Date.

**"Wahl-Rückzahlungszeitraum (Call)"** bezeichnet in Bezug auf die 2023 Schuldverschreibungen den Zeitraum ab dem 17. April 2023 (einschließlich) bis zum jeweiligen Fälligkeitstag (ausschließlich), in Bezug auf die 2026 Schuldverschreibungen den Zeitraum ab dem 18. Februar 2026 (einschließlich) bis zum jeweiligen Fälligkeitstag (ausschließlich) und in Bezug auf die 2029 Schuldverschreibungen den Zeitraum ab dem 18. Februar 2029 (einschließlich) bis zum jeweiligen Fälligkeitstag (ausschließlich).

- (b) Notice of redemption shall be given by the Issuer to the Holders of the Notes in accordance with § 12. Such notice shall specify:

- (b) Die Kündigung ist den Gläubigern der Schuldverschreibungen durch die Emittentin gemäß § 12 bekanntzugeben. Sie beinhaltet die folgenden Angaben:

- (i) the series of Notes subject to redemption;
- (ii) whether such series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed; and
- (iii) the Call Redemption Date, which shall be not less than 30 nor more than 60 days after the date on which notice is given by the Issuer to the Holders.

- (i) die zurückzuzahlende Serie von Schuldverschreibungen;
- (ii) eine Erklärung, ob diese Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen; und
- (iii) den Wahl-Rückzahlungstag (Call), der nicht weniger als 30 und nicht mehr als 60 Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Gläubigern liegen darf.

**"Call Redemption Date"** means the date fixed for redemption of the Notes pursuant to §5 (3) (b).

**"Wahl-Rückzahlungstag (Call)"** bezeichnet den Tag, der für die Rückzahlung der Schuldverschreibungen gemäß § 5 (3) (b) festgesetzt wurde.

In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.

Wenn die Schuldverschreibungen nur teilweise zurückgezahlt werden, werden die zurückzuzahlenden Schuldverschreibungen in Übereinstimmung mit den Regeln des betreffenden Clearing Systems ausgewählt.

(4) *Early Redemption at the Option of the Issuer for Reasons of Minimal Outstanding Principal Amount.* (4) *Vorzeitige Rückzahlung nach Wahl der Emittentin bei geringem ausstehendem Gesamtnennbetrag.*

- (a) If 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased and cancelled pursuant to the provisions of this § 5, the Issuer may, on not less than 30 or more than 60 days' notice to the Holders of Notes given within 30 days after the Call Redemption Date (Sweep Up), redeem, at its option, the remaining Notes as a whole at the Redemption Amount plus interest (if any) accrued to (but excluding) the date of such redemption.
- (a) Wenn 80 % oder mehr des Nennbetrags der dann ausstehenden Schuldverschreibungen nach diesem § 5 zurückgezahlt oder zurückerworben und entwertet wurde, ist die Emittentin berechtigt, nach vorheriger Bekanntmachung, die innerhalb von 30 Tagen nach dem Wahl-Rückzahlungstag (Sweep Up) erfolgen muss, gegenüber den Gläubigern mit einer Frist von mindestens 30 und höchstens 60 Tagen nach ihrer Wahl alle ausstehenden Schuldverschreibungen zum Rückzahlungsbetrag zuzüglich (etwaiger) bis zum Rückzahlungstag (ausschließlich) aufgelaufener Zinsen zurück zu zahlen.
- (b) Notice of redemption shall be given by the Issuer to the Holders of the Notes in accordance with § 12. Such notice shall specify:
- (b) Die Kündigung ist den Gläubigern der Schuldverschreibungen durch die Emittentin gemäß § 12 bekanntzugeben. Sie muss die folgenden Angaben enthalten:
- (i) the series of Notes subject to redemption;
- (i) die zurückzuzahlende Serie von Schuldverschreibungen;
- (ii) the Call Redemption Date (Sweep Up), which shall be not less than 30 days nor more than 60 days after the date on which such notice is given by the Issuer to the Holders; and
- (ii) den Wahl-Rückzahlungstag (Sweep Up), der nicht weniger als 30 Tage und nicht mehr als 60 Tage nach dem Tag der Mitteilung durch die Emittentin gegenüber den Gläubigern liegen darf; und
- (iii) the amount at which such Notes are to be redeemed.
- (iii) den Betrag, zu dem die Schuldverschreibungen zurückgezahlt werden.
- (c) Whereby:
- (c) Dabei gilt:
- "Call Redemption Date (Sweep Up)"** means the date fixed for redemption of the Notes pursuant to § 5 (4) (b).
- "Wahl-Rückzahlungstag (Sweep Up)"** bezeichnet den Tag, der für die Rückzahlung der Schuldverschreibungen gemäß § 5 (4) (b) festgesetzt wurde.

(5) *Change of Control.*

In the event that a Change of Control (as defined below) occurs and within the Change of Control Period a Rating Downgrade in respect of that Change of Control occurs (together a **"Put Event"**), each Holder will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice to redeem the Notes in accordance with § 5 (2) or (3)) to require the Issuer to redeem the Notes held by him on the Optional Redemption Date at the Redemption Amount together with interest (if any) accrued to but excluding the Optional

(5) *Kontrollwechsel.*

Tritt ein Kontrollwechsel (wie nachstehend definiert) ein und kommt es innerhalb des Kontrollwechselzeitraums zu einer Absenkung des Ratings auf Grund des Kontrollwechsels (zusammen, ein **"Rückzahlungsereignis"**), hat jeder Gläubiger das Recht (sofern nicht die Emittentin, bevor die nachstehend beschriebene Rückzahlungsmitteilung gemacht wird, die Rückzahlung der Schuldverschreibungen nach § 5 (2) oder (3) angezeigt hat), die Rückzahlung seiner Schuldverschreibungen durch die Emittentin zum



Redemption Date.

Rückzahlungsbetrag, zuzüglich (etwaiger) aufgelaufener Zinsen bis zum Wahl-Rückzahlungstag (ausschließlich), zu verlangen.

For the purposes of this option:

Für Zwecke dieses Wahlrechts:

**"Rating Agency"** means Standard and Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**") and Moody's Investors Services Limited ("**Moody's**") or any of their respective successors or any other rating agency of equivalent international standing specified from time to time by the Issuer.

Bedeutet "**Rating Agentur**" Standard and Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**"), und Moody's Investors Services Limited ("**Moody's**") oder eine ihrer jeweiligen Nachfolgesellschaften oder jede andere Rating Agentur vergleichbaren internationalen Ansehens, wie von Zeit zu Zeit durch die Emittentin bestimmt.

A "**Rating Downgrade**" shall be deemed to have occurred if a Change of Control has occurred and (a) if within the Change of Control Period any rating previously assigned to the Issuer or outstanding long-dated liabilities of the Issuer by any Rating Agency is (i) withdrawn or (ii) changed from an investment grade rating (BBB- by S&P/Baa3 by Moody's, or its equivalent for the time being, or better) to a non-investment grade rating (BB+ by S&P/Ba1 by Moody's, or its equivalent for the time being, or worse) or (iii) (if the rating assigned to the long-dated liabilities by any Rating Agency shall be below an investment grade rating) lowered one full rating notch (e.g. from BB+ to BB by S&P or Ba1 to Ba2 by Moody's or such similar lower of equivalent rating) or (b) if at the time of the Change of Control, there is no rating assigned to the Notes or the Issuer and no Rating Agency assigns during the Change of Control Period an investment grade credit rating to the Notes (unless the Issuer is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected with the occurrence of the Change of Control).

Gilt eine "**Absenkung des Ratings**" als eingetreten, wenn ein Kontrollwechsel vorliegt und, wenn (a) innerhalb des Kontrollwechselzeitraums ein vorher für die Emittentin oder ein für die ausstehenden langfristigen Verbindlichkeiten der Emittentin vergebenes Rating einer Rating Agentur (i) zurückgezogen oder (ii) von einem Investment Grade Rating (BBB- von S&P/Baa3 von Moody's oder jeweils gleichwertig, oder besser) in ein non-Investment Grade Rating (BB+ von S&P/Ba1 von Moody's oder jeweils gleichwertig, oder schlechter) geändert oder (iii) (falls das für die langfristigen Verbindlichkeiten vergebene Rating einer Rating Agentur unterhalb des Investment Grade Ratings liegt) um einen ganzen Punkt (z.B. von BB+ nach BB von S&P oder Ba1 nach Ba2 von Moody's oder eine ähnliche Absenkung eines gleichwertigen Ratings) abgesenkt wird oder (b) zur Zeit des Kontrollwechsels kein Rating für die Schuldverschreibungen oder die Emittentin vergeben ist und keine Rating Agentur während des Kontrollwechselzeitraums ein Investment Grade Rating für die Schuldverschreibungen vergibt (es sei denn, die Emittentin ist trotz zumutbarer Anstrengungen innerhalb dieses Zeitraums nicht in der Lage ein solches Rating zu erhalten, ohne dass dies seine Ursache im Kontrollwechsel hat).

A "**Change of Control**" shall be deemed to have occurred at each time (whether or not approved by the Management Board or Supervisory Board of the Issuer) that any person or persons ("**Relevant Person(s)**") acting in concert within the meaning of section 34 para 2 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) or any person or persons acting on behalf of any such Relevant Person(s), at any time directly or indirectly acquire(s) or come(s) to own (i) more than 50 per cent. of the issued ordinary share capital of the Issuer or (ii) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer, provided that a Change of Control shall be deemed not to have occurred if all or substantially all of the shareholders of the Relevant

Gilt ein "**Kontrollwechsel**" jedes Mal als eingetreten, wenn eine Person oder mehrere Personen (die "**relevante(n) Person(en)**"), die im Sinne von § 34 Absatz 2 WpHG abgestimmt handeln, oder ein oder mehrere Dritte(r), die im Auftrag der relevanten Person(en) handeln, zu irgendeiner Zeit mittelbar oder unmittelbar (unabhängig davon, ob der Vorstand oder der Aufsichtsrat der Emittentin seine Zustimmung erteilt hat) (i) mehr als 50 % des ausstehenden Grundkapitals der Emittentin oder (ii) eine solche Anzahl von Aktien der Emittentin hält bzw. halten oder erworben hat bzw. haben, auf die mehr als 50 % der Stimmrechte entfallen, die unter normalen Umständen auf einer Hauptversammlung der Emittentin ausgeübt werden können. Dies steht jedoch unter der Voraussetzung, dass ein Kontrollwechsel dann

Person are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the shareholders of the Issuer with the same (or substantially the same) *pro rata* interest in the share capital of the Relevant Person as such shareholders have, or as the case may be, had in the share capital of the Issuer.

"**Change of Control Period**" means the period (i) commencing on the earlier of (x) any public announcement or statement of the Issuer or any Relevant Person relating to any potential Change of Control or (y) the date of the first public announcement of the Change of Control having occurred and (ii) ending on the 90 day (inclusive) after the occurrence of the relevant Change of Control.

The "**Optional Redemption Date**" is the seventh day after the last day of the Put Period.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a "**Put Event Notice**") to the Holders in accordance with § 12 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option set out in this § 5 (5).

In order to exercise such option, the Holder must submit during normal business hours at the specified office of the Fiscal Agent a duly completed option exercise notice (the "**Exercise Notice**") in the form available from the specified office of the Fiscal Agent within the period (the "**Put Period**") of 45 days after a Put Event Notice is given. No option so exercised may be revoked or withdrawn without the prior consent of the Issuer.

For the avoidance of doubt: Nothing in these Conditions requires the Issuer to pursue a rating for itself or these Notes.

nicht als eingetreten gilt, wenn alle Aktionäre der relevanten Person oder ein wesentlicher Teil davon tatsächlich Aktionäre der Emittentin sind, oder unmittelbar vor dem Ereignis, welches ansonsten einen Kontrollwechsel darstellen würde waren und denselben (oder beinahe denselben) Anteil am Grundkapital der relevanten Person haben oder hatten wie am Grundkapital der Emittentin.

Bezeichnet "**Kontrollwechselzeitraum**" den Zeitraum, der (i) mit dem früheren der folgenden Ereignisse beginnt: (x) einer öffentlichen Bekanntmachung oder Erklärung der Emittentin oder einer relevanten Person hinsichtlich eines möglichen Kontrollwechsels oder (y) dem Tag der ersten öffentlichen Bekanntmachung des eingetretenen Kontrollwechsels und (ii) der am 90. Tag (einschließlich) nach dem Eintritt des Kontrollwechsels endet.

Ist der "**Wahl-Rückzahlungstag**" der siebte Tag nach dem letzten Tag des Rückzahlungszeitraums.

Sofort nachdem die Emittentin von einem Rückzahlungsereignis Kenntnis erlangt, wird die Emittentin den Gläubigern unter Einhaltung der Regelungen des § 12 Mitteilung vom Rückzahlungsereignis machen (eine "**Rückzahlungsmitteilung**"), diese Mitteilung umfasst die Umstände des Rückzahlungsereignisses sowie das Verfahren für die Ausübung des in diesem § 5 (5) genannten Wahlrechts.

Zur Ausübung dieses Wahlrechts muss der Gläubiger während der normalen Geschäftszeiten innerhalb eines Zeitraums (der "**Rückzahlungszeitraum**") von 45 Tagen nach Veröffentlichung der Rückzahlungsmitteilung eine ordnungsgemäß ausgefüllte und unterzeichnete Ausübungserklärung bei der angegebenen Niederlassung der Emissionsstelle einreichen (die "**Ausübungserklärung**"), die in ihrer jeweils maßgeblichen Form bei der angegebenen Niederlassung der Emissionsstelle erhältlich ist. Ein so ausgeübtes Wahlrecht kann nicht ohne vorherige Zustimmung der Emittentin widerrufen oder zurückgezogen werden

Zur Klarstellung: Durch diese Emissionsbedingungen ist die Emittentin in keinem Fall verpflichtet, ein Rating für sich oder diese Schuldverschreibungen anzustreben.

§ 6

FISCAL AGENT AND PAYING AGENT

- (1) *Appointment; Specified Offices.* The initial Fiscal Agent and Paying Agent and their respective initial specified offices are:

Fiscal Agent and Paying Agent:

Deutsche Bank Aktiengesellschaft  
Trust and Agency Services  
Taunusanlage 12  
60325 Frankfurt am Main  
Germany

The Fiscal Agent and the Paying Agent reserve the right at any time to change their respective specified offices to some other specified offices in the same country.

- (2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent and to appoint another Fiscal Agent or additional or other Paying Agents. The Issuer shall at all times maintain a Fiscal Agent. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 12. For purposes of these Terms and Conditions, "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

- (3) *Agents of the Issuer.* The Fiscal Agent and the Paying Agent act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.

§ 7  
TAXATION

All amounts payable in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature

§ 6

DIE EMISSIONSSTELLE UND DIE ZAHLSTELLE

- (1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Emissionsstelle und die Zahlstelle und ihre bezeichneten Geschäftsstellen lauten wie folgt:

Emissions- und Zahlstelle:

Deutsche Bank Aktiengesellschaft  
Trust and Agency Services  
Taunusanlage 12  
60325 Frankfurt am Main  
Deutschland

Die Emissionsstelle und die Zahlstelle behalten sich das Recht vor, jederzeit ihre bezeichneten Geschäftsstellen durch eine andere bezeichnete Geschäftsstelle im selben Land zu ersetzen.

- (2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Emissionsstelle oder einer Zahlstelle zu ändern oder zu beenden und eine andere Emissionsstelle oder zusätzliche oder andere Zahlstellen zu bestellen. Die Emittentin wird zu jedem Zeitpunkt eine Emissionsstelle unterhalten. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß § 12 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden. Für die Zwecke dieser Emissionsbedingungen bezeichnet "**Vereinigte Staaten**" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Rico, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).

- (3) *Beauftragte der Emittentin.* Die Emissionsstelle und die Zahlstelle handeln ausschließlich als Beauftragte der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.

§ 7  
STEUERN

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern

imposed or levied by way of withholding or deduction by or on behalf of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. If such withholding is required by law, the Issuer will pay such additional amounts (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it, or
- (b) are payable by reason of the Holder having, or having had, some personal or business connection with the Federal Republic of Germany and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Federal Republic of Germany, or
- (c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or
- (d) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 12, whichever occurs later, or
- (e) are withheld or deducted by a paying agent from a payment if the payment could have been made by another paying agent without such withholding or deduction.

oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde der oder in der Bundesrepublik Deutschland auferlegt oder erhoben werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. Ist ein solcher Einbehalt gesetzlich vorgeschrieben, so wird die Emittentin diejenigen zusätzlichen Beträge (die "**zusätzlichen Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern empfangen worden wären; die Verpflichtung zur Zahlung solcher zusätzlicher Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

- (a) von einer als Depotbank oder Inkassobeauftragter des Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt; oder
- (b) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zur Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
- (c) aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Bundesrepublik Deutschland oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder
- (d) aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 12 wirksam wird; oder
- (e) von einer Zahlstelle einbehalten oder abgezogen werden, wenn die Zahlung von einer anderen Zahlstelle ohne den Einbehalt oder Abzug hätte vorgenommen werden können.

For the avoidance of doubt: The *Kapitalertragsteuer* in the Federal Republic of Germany and the solidarity surcharge (*Solidaritätszuschlag*) imposed thereon do not constitute a tax on interest payments as described above in respect of which Additional Amounts would be payable by the Issuer.

**§ 8  
PRESENTATION PERIOD**

The presentation period provided in section 801 para 1, sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) is reduced to ten years for the Notes.

**§ 9  
EVENTS OF DEFAULT**

(1) *Events of Default.* Each Holder shall be entitled to declare his Notes due and payable and demand immediate redemption thereof at par plus accrued interest (if any) to the date of repayment, in the event that

(a) *Non-Payment:* the Issuer fails to pay principal or interest or any other amounts due on the Notes within 30 days after the relevant due date; or

(b) *Breach of other Obligation:* the Issuer fails to duly perform any other obligation arising from the Notes and such failure continues unremedied for more than 30 days after the Paying Agent has received notice thereof from a Holder, or

(c) *Cross Default:* (i) any present or future payment obligation of the Issuer or a Principal Subsidiary in respect of Capital Market Indebtedness becomes due and payable prior to its stated maturity for reason of the occurrence of a default (howsoever defined), or (ii) any such payment obligation is not met when due or, as the case may be, within an applicable grace period, or (iii) any amounts due under any present or future guarantee or warranty by the Issuer or a Principal Subsidiary for Capital Market Indebtedness are not paid when due or, as the case may be, within an applicable grace period, provided that the relevant aggregate amount of the payment obligation, guarantee or warranty in respect of which one or more of the events mentioned above in this subsection (c) has or have occurred equals or exceeds

Zur Klarstellung: Die in der Bundesrepublik Deutschland geltende Kapitalertragsteuer und der darauf erhobene Solidaritätszuschlag sind keine Steuer oder sonstige Abgabe im oben genannten Sinn, für die zusätzliche Beträge seitens der Emittentin zu zahlen wären.

**§ 8  
VORLEGUNGSFRIST**

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt.

**§ 9  
KÜNDIGUNG**

(1) *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibung zu kündigen und deren sofortige Rückzahlung zu ihrem Nennbetrag zuzüglich (etwaiger) bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, falls:

(a) *Nichtzahlung:* die Emittentin Kapital oder Zinsen oder sonstige auf die Schuldverschreibungen zahlbare Beträge nicht innerhalb von 30 Tagen nach dem betreffenden Fälligkeitsdatum zahlt; oder

(b) *Verletzung einer sonstigen Verpflichtung:* die Emittentin die ordnungsgemäße Erfüllung einer anderen Verpflichtung aus den Schuldverschreibungen unterlässt und diese Unterlassung länger als 30 Tage fort dauert, nachdem die Zahlstelle hierüber eine Benachrichtigung von einem Gläubiger erhalten hat; oder

(c) *Drittverzugsregelung:* (i) eine bestehende oder zukünftige Zahlungsverpflichtung der Emittentin oder einer Wesentlichen Tochtergesellschaft im Zusammenhang mit einer Kapitalmarktverbindlichkeit infolge einer Nichtleistung (unabhängig davon, wie eine solche definiert ist) vorzeitig fällig wird, oder (ii) wenn eine solche Zahlungsverpflichtung bei Fälligkeit oder nach Ablauf einer etwaigen Nachfrist nicht erfüllt wird, oder (iii) wenn die Emittentin oder eine Wesentliche Tochtergesellschaft einen Betrag, der unter einer bestehenden oder zukünftigen Garantie oder Gewährleistung im Zusammenhang mit einer Kapitalmarktverbindlichkeit, zur Zahlung fällig wird, bei Fälligkeit oder nach Ablauf einer etwaigen Nachfrist nicht zahlt, vorausgesetzt, dass der Gesamtbetrag der betreffenden

EUR 50,000,000 or its equivalent in any other currency and such default continues for more than 30 days after the Issuer or the Principal Subsidiary has received notice thereof from a Holder, such notice being substantially in the form as specified in paragraph (3), provided however, that this paragraph (c) shall not apply, where the Issuer or the Principal Subsidiary contests its relevant payment obligation in good faith; or

Zahlungsverpflichtungen, Garantien oder Gewährleistungen, bezüglich derer eines oder mehrere der in diesem Absatz (c) genannten Ereignisse eintritt, mindestens dem Betrag von EUR 50.000.000 oder dessen Gegenwert in einer anderen Währung entspricht oder diesen übersteigt und der jeweilige Kündigungsgrund nicht innerhalb von 30 Tagen, nachdem die Emittentin oder die Wesentliche Tochtergesellschaft eine diesbezügliche Mitteilung durch den Gläubiger nach Maßgabe von Absatz (3) erhalten hat, behoben wird. Dieser Absatz (c) ist jedoch nicht anwendbar, wenn die Emittentin oder die Wesentliche Tochtergesellschaft ihre betreffenden Zahlungsverpflichtungen in gutem Glauben bestreitet; oder

(d) *Cessation of Payment*: the Issuer or a Principal Subsidiary announces its inability to meet its financial obligations or ceases its payments generally, or

(d) *Zahlungseinstellung*: die Emittentin oder eine Wesentliche Tochtergesellschaft ihre Zahlungsunfähigkeit bekanntgibt oder ihre Zahlungen allgemein einstellt; oder

(e) *Insolvency etc.*: a competent court opens insolvency proceedings against the Issuer or a Principal Subsidiary and such proceedings are not discharged or stayed within 60 days or the Issuer or a Principal Subsidiary applies for or institutes such proceedings or offers; or

(e) *Insolvenz u.a.*: ein zuständiges Gericht ein Insolvenzverfahren gegen die Emittentin oder eine Wesentliche Tochtergesellschaft eröffnet und ein solches Verfahren nicht innerhalb einer Frist von 60 Tagen aufgehoben oder ausgesetzt worden ist, oder die Emittentin oder eine wesentliche Tochtergesellschaft ein solches Verfahren einleitet oder beantragt; oder

(f) *Liquidation*: the Issuer enters into liquidation (except in connection with a merger or other form of combination with another company or in connection with a reconstruction and such other or new company or, as the case may be, companies effectively assume substantially all of the assets and liabilities of the Issuer).

(f) *Liquidation*: die Emittentin in Liquidation geht (es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft oder im Zusammenhang mit einer Umwandlung, sofern die andere oder neue Gesellschaft oder gegebenenfalls die anderen neuen Gesellschaften im Wesentlichen alle Aktiva und Passiva der Emittentin übernimmt oder übernehmen).

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised. No event or circumstance other than an event specified in this § 9 (1) shall entitle Holders to declare their Notes due and payable prior to their stated maturity, save as expressly provided for in these Conditions and subject to applicable mandatory law.

Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde. Vorbehaltlich anwendbaren zwingenden Rechts berechtigen andere Ereignisse oder Umstände als die in diesem § 9 (1) genannten den Gläubiger nicht dazu, seine Schuldverschreibungen vorzeitig zur Rückzahlung fällig zu stellen, es sei denn, dies ist ausdrücklich in diesen Emissionsbedingungen bestimmt.

(2) *Quorum*. In the events specified in § 9 (1) (b) or (1) (c), any notice declaring Notes due shall, unless at the time such notice is received any of the events

(2) *Quorum*. In den Fällen des § 9 (1) (b) oder 1 (c) wird eine Kündigung, sofern nicht bei deren Eingang zugleich einer der in § 9 1 (a) und 1 (d) bis 1 (f)

specified in § 9 (1) (a) and (1) (d) to (1) (f) entitling Holders to declare their Notes due has occurred, become effective only when the Fiscal Agent has received such notices from the Holders of at least one-tenth in principal amount of Notes then outstanding.

- (3) *Notice.* Any notice, including any notice declaring Notes due, in accordance with subparagraph (1) shall either be made (a) by means of a declaration at least in text form (section 126b of the German Civil Code (*Bürgerliches Gesetzbuch*)) in the German or English language delivered by hand or registered mail to the specified office of the Paying Agent together with a proof that such notifying Holder at the time of such notice is a holder of the relevant Notes by means of a statement of his Custodian (as defined in § 14 (3)) or any other appropriate manner or (b) with its Custodian for the notice to be delivered to the Clearing System for communication by the Clearing System to the Issuer.

## § 10 SUBSTITUTION

- (1) *Substitution.* The Issuer may, without the consent of the Holders, if no payment of principal of or interest on any of the Notes is in default, at any time substitute for the Issuer any Affiliate (as defined below) of it as principal debtor in respect of all obligations arising from or in connection with this issue (the "**Substitute Debtor**") provided that:

- (a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes;
- (b) the Substitute Debtor has obtained all necessary authorizations and may transfer to the Paying Agent in the currency required and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;
- (c) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax,

bezeichneten Kündigungsgründe vorliegt, erst wirksam, wenn bei der Emissionsstelle Kündigungserklärungen von Gläubigern von Schuldverschreibungen im Nennbetrag von mindestens 1/10 der dann ausstehenden Schuldverschreibungen eingegangen sind.

- (3) *Benachrichtigung.* Eine Benachrichtigung, einschließlich einer Kündigung der Schuldverschreibungen gemäß Absatz (1) ist entweder (a) zumindest in Textform (§ 126b BGB) in deutscher oder englischer Sprache gegenüber der Zahlstelle zu erklären und zusammen mit dem Nachweis in Form einer Bescheinigung der Depotbank (wie in § 14 (3) definiert) oder in einer anderen geeigneten Weise, dass der Benachrichtigende zum Zeitpunkt der Benachrichtigung ein Gläubiger der betreffenden Schuldverschreibung ist, persönlich oder per Einschreiben an dessen bezeichnete Geschäftsstelle zu übermitteln oder (b) bei seiner Depotbank zur Weiterleitung an die Emittentin über das Clearing System zu erklären.

## § 10 ERSETZUNG

- (1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger ein mit ihr verbundenes Unternehmen (wie unten definiert) an ihrer Stelle als Hauptschuldnerin (die "**Nachfolgeschuldnerin**") für alle Verpflichtungen aus und im Zusammenhang mit diesen Schuldverschreibungen einzusetzen, vorausgesetzt, dass:

- (a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt;
- (b) die Nachfolgeschuldnerin alle erforderlichen Genehmigungen erhalten hat und berechtigt ist, an die Zahlstelle die zur Erfüllung der Zahlungsverpflichtungen aus den Schuldverschreibungen zahlbaren Beträge in der festgelegten Währung zu zahlen, ohne verpflichtet zu sein, jeweils in dem Land, in dem die Nachfolgeschuldnerin oder die Emittentin ihren Sitz oder Steuersitz haben, erhobene Steuern oder andere Abgaben jeder Art abzuziehen oder einzubehalten;
- (c) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Gläubiger hinsichtlich solcher Steuern,

duty, assessment or governmental charge imposed on such Holder in respect of such substitution;

- (d) the Issuer irrevocably and unconditionally guarantees in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms equivalent to the terms of an irrevocable and unconditional guarantee of the Issuer;
- (e) the Issuer shall have made available at an agent appointed for that purpose one opinion for each jurisdiction affected of lawyers of recognised standing to the effect that subparagraphs (a), (b), (c) and (d) above have been satisfied; and
- (f) the Substitute Debtor is not a "United States person" as defined in the United States Revenue Code of 1986, as amended.

Abgaben oder behördlichen Lasten freizustellen, die einem Gläubiger bezüglich der Ersetzung auferlegt werden;

- (d) die Emittentin unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge zu Bedingungen garantiert, die den Bedingungen einer unwiderruflichen und unbedingten Garantie der Emittentin entsprechen;
- (e) die Emittentin eine Bestätigung bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten bei einer dafür beauftragten Stelle verfügbar macht, dass die Bestimmungen in den vorstehenden Unterabsätzen (a), (b), (c) und (d) erfüllt wurden; und
- (f) die Nachfolgeschuldnerin ist keine "United States person" wie im United States Revenue Code von 1986 in seiner jeweiligen Fassung definiert.

For purposes of this § 10, "Affiliate" shall mean any affiliated company (*verbundenen Unternehmen*) within the meaning of section 15 of the German Stock Corporation Act (*Aktiengesetz*).

Für die Zwecke dieses § 10 bedeutet "verbundenes Unternehmen" ein verbundenes Unternehmen im Sinne von § 15 Aktiengesetz.

- (2) *Notice*. Notice of any such substitution shall be published in accordance with § 12.
- (3) *Change of References*. In the event of any such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor. Furthermore, in the event of such substitution the following shall apply:

In § 7 and § 5 (2) an alternative reference to the Federal Republic of Germany shall be deemed to have been included in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor and in § 9 (1) (c) to (e) an alternative reference to the Issuer in its capacity as guarantor shall be deemed to have been included (in addition to the reference to the Substitute Debtor).

- (2) *Bekanntmachung*. Jede Ersetzung ist gemäß § 12 bekanntzumachen.
- (3) *Änderung von Bezugnahmen*. Im Fall einer Ersetzung gilt jede Bezugnahme in diesen Emissionsbedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, gilt ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat. Des Weiteren gilt im Fall einer Ersetzung folgendes:

In § 7 und § 5 (2) gilt eine alternative Bezugnahme auf die Bundesrepublik Deutschland als aufgenommen (zusätzlich zu der Bezugnahme nach Maßgabe des vorstehenden Satzes auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat) und in § 9 (1) (c) bis (e) gilt eine alternative Bezugnahme auf die Emittentin in ihrer Eigenschaft als Garantin als aufgenommen (zusätzlich zu der Bezugnahme auf die Nachfolgeschuldnerin).



**§ 11**  
**FURTHER ISSUES, PURCHASES AND**  
**CANCELLATION**

- (1) *Further Issues.* The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the date of issue, interest commencement date and/or issue price) so as to form a single series with the Notes.
- (2) *Purchases.* The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation.
- (3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

**§ 12**  
**NOTICES**

- (1) All notices concerning the Notes shall be published in the Federal Gazette (*Bundesanzeiger*). Any notice so given will be deemed to be validly given on the third calendar day following the date of such publication (or, if published more than once, on the third calendar day following the date of the first such publication) or, if earlier, on the third day following the date of electronic publication on the internet website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

All notices concerning the Notes will be made by means of electronic publication on the internet website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Any notice so given will be deemed to have been validly given on the third day following the date of such publication or, if earlier, on the third day following the date of publication in the Federal Gazette (*Bundesanzeiger*).

- (2) *Notification to Clearing System.* So long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, subparagraph (1) shall apply. In the case of notices regarding the Rate of Interest or, if the

**§ 11**  
**BEGEBUNG WEITERER**  
**SCHULDVERSCHREIBUNGEN, ANKAUF UND**  
**ENTWERTUNG**

- (1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit den gleichen Bedingungen (gegebenenfalls mit Ausnahme des Tags der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit den Schuldverschreibungen eine einheitliche Serie bilden.
- (2) *Ankauf.* Die Emittentin ist berechtigt, jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Emissionsstelle zwecks Entwertung eingereicht werden.
- (3) *Entwertung.* Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

**§ 12**  
**MITTEILUNGEN**

- (1) Alle die Schuldverschreibungen betreffenden Mitteilungen werden im Bundesanzeiger veröffentlicht. Jede derartige Mitteilung gilt am dritten Kalendertag nach dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen am dritten Kalendertag nach dem Tag der ersten solchen Veröffentlichung) oder, falls früher, am dritten Tag nach dem Tag der elektronischen Publikation auf der Website der Luxemburger Börse ([www.bourse.lu](http://www.bourse.lu)) als wirksam erfolgt.

Alle die Schuldverschreibungen betreffenden Mitteilungen erfolgen durch elektronische Publikation auf der Website der Luxemburger Börse ([www.bourse.lu](http://www.bourse.lu)). Jede Mitteilung gilt am dritten Tag nach dem Tag dieser Veröffentlichung oder, falls früher, am dritten Tag nach dem Tag der Veröffentlichung im Bundesanzeiger als wirksam erfolgt.

- (2) *Mitteilungen an das Clearing System.* Solange Schuldverschreibungen an der offiziellen Liste der Luxemburger Börse notiert und zum Handel am geregelten Markt der Luxemburger Börse zugelassen sind, findet Absatz (1) Anwendung. Soweit dies Mitteilungen über den Zinssatz betrifft oder die

Rules of the Luxembourg Stock Exchange so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Holders, in lieu of publication in the newspapers set forth in subparagraph (1) above; any such notice shall be deemed to have been given to the Holders on the fifth day after the day on which the said notice was given to the Clearing System.

### § 13

#### AMENDMENTS TO THE TERMS AND CONDITIONS BY RESOLUTION OF THE HOLDERS, JOINT REPRESENTATIVE

- (1) *Amendment of the Terms and Conditions.* The Issuer may agree with the Holders on amendments to the Terms and Conditions by virtue of a majority resolution of the Holders pursuant to sections 5 et seqq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen - "SchVG"*), as amended from time to time. In particular, the Holders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under section 5 para 3 of the SchVG, but excluding a substitution of the Issuer, which is exclusively subject to the provisions in § 10, by resolutions passed by such majority of the votes of the Holders as stated under § 13 (2) below. A duly passed majority resolution shall be binding equally upon all Holders.
- (2) *Majority.* Except as provided by the following sentence and provided that the quorum requirements are being met, the Holders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of section 5 para 3 numbers 1 through 9 of the SchVG, may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**").
- (3) *Vote without a meeting.* Subject to § 13 (4), resolutions of the Holders shall exclusively be made by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with section 18 of the SchVG. The request for voting will provide for further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to the Holders together with the request for voting. The exercise of voting rights is subject to the Holders'

Regeln der Luxemburger Börse es zulassen, kann die Emittentin eine Veröffentlichung nach Absatz (1) durch eine Mitteilung an das Clearing System zur Weiterleitung und die Gläubiger ersetzen; jede derartige Mitteilung gilt am fünften Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.

### § 13

#### ÄNDERUNG DER EMISSIONSBEDINGUNGEN DURCH BESCHLUSS DER GLÄUBIGER, GEMEINSAMER VERTRETER

- (1) *Änderung der Emissionsbedingungen.* Die Emittentin kann gemäß §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz – "**SchVG**") in seiner jeweils geltenden Fassung mit den Gläubigern Änderungen an den Emissionsbedingungen vereinbaren, wenn die Gläubiger einen entsprechenden Beschluss gefasst haben. Hierbei können die Gläubiger durch Beschluss der in § 13 (2) genannten Mehrheit insbesondere Änderungen zustimmen, welche den Charakter der Emissionsbedingungen wesentlich verändern, einschließlich der in § 5 (3) SchVG genannten Maßnahmen, aber mit Ausnahme der Ersetzung der Emittentin, welche ausschließlich den Bestimmungen von § 10 unterliegt. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Gläubiger gleichermaßen verbindlich.
- (2) *Mehrheitserfordernisse.* Vorbehaltlich der Bestimmungen des folgenden Satzes und vorausgesetzt, die Anforderungen an das Quorum sind erfüllt, können die Gläubiger Beschlüsse mit einfacher Mehrheit der abgegebenen Stimmen fassen. Beschlüsse, welche den Charakter der Emissionsbedingungen wesentlich verändern, insbesondere in den Fällen des § 5 (3) Nrn. 1 bis 9 SchVG, bedürfen der qualifizierten Mehrheit von mindestens 75 % der abgegebenen Stimmen (die "**Qualifizierte Mehrheit**").
- (3) *Abstimmung ohne Versammlung.* Vorbehaltlich § 13 (4) können Beschlüsse der Gläubiger ausschließlich im Wege der Abstimmung ohne Versammlung gefasst werden, wie sie in § 18 SchVG vorgesehen ist. Die Aufforderung zur Stimmabgabe enthält weitere Ausführungen hinsichtlich der zu fassenden Beschlüsse und der Abstimmungsmodalitäten. Der Gegenstand der Abstimmung sowie die Vorschläge zur Beschlussfassung werden den Gläubigern zusammen

registration. The registration must be received at the address stated in the request for voting no later than the third day preceding the beginning of the voting period. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14 (3) (i) (a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the day the voting period ends.

(4) *Second Noteholders' Meeting.* If it is ascertained that no quorum exists for the vote without meeting pursuant to § 13 (3), the scrutineer (*Abstimmungsleiter*) may convene a noteholders' meeting, which shall be deemed to be a second noteholders' meeting within the meaning of section 15 para 3 sentence 3 of the SchVG. Attendance at the second noteholders' meeting and exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the second noteholders' meeting. Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14 (3) (i) (a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the noteholders' meeting.

(5) *Holder's representative.* The Holders may by majority resolution provide for the appointment or dismissal of a joint representative (the "**Holder's Representative**"), the duties and responsibilities and the powers of such Holder's Representative, the transfer of the rights of the Holders to the Holder's Representative and a limitation of liability of the Holder's Representative. Appointment of a Holder's Representative may only be passed by a Qualified Majority if such Holder's Representative is to be authorized to consent, in accordance with § 13 (2) hereof, to a material change in the substance of the Terms and Conditions.

mit der Aufforderung zur Stimmabgabe bekannt gegeben. Die Stimmrechtsausübung ist von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor dem Beginn des Abstimmungszeitraums unter der in der Aufforderung zur Stimmabgabe angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Gläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung der Depotbank gemäß § 14 (3) (i) (a) und (b) in Textform und die Vorlage eines Sperrvermerks der Depotbank erbringen, aus dem hervorgeht, dass die relevanten Schuldverschreibungen für den Zeitraum vom Tag der Absendung der Anmeldung (einschließlich) bis dem Ende des Abstimmungszeitraums (einschließlich) nicht übertragen werden können.

(4) *Zweite Gläubigerversammlung.* Wird die Beschlussfähigkeit bei der Abstimmung ohne Versammlung nach § 13 (3) nicht festgestellt, kann der Abstimmungsleiter eine Gläubigerversammlung einberufen, welche als zweite Gläubigerversammlung im Sinne des § 15 (3) Satz 3 SchVG gilt. Die Teilnahme an der zweiten Gläubigerversammlung und die Stimmrechtsausübung sind von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor der zweiten Gläubigerversammlung unter der in der Einberufung angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Gläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung der Depotbank gemäß § 14 (3) (i) (a) und (b) in Textform und die Vorlage einer Sperrvermerk der Depotbank erbringen, aus der hervorgeht, dass die relevanten Schuldverschreibungen für den Zeitraum vom Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Versammlung (einschließlich) nicht übertragen werden können.

(5) *Gemeinsamer Vertreter.* Die Gläubiger können durch Mehrheitsbeschluss einen gemeinsamen Vertreter (der "**Gemeinsame Vertreter**") bestellen oder abberufen, die Pflichten, Verantwortlichkeiten und Rechte eines solchen Gemeinsamen Vertreters festlegen, die Übertragung der Rechte der Gläubiger auf den Gemeinsamen Vertreter sowie die Haftungsbegrenzung des Gemeinsamen Vertreters bestimmen. Die Bestellung eines Gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn der Gemeinsame Vertreter in Übereinstimmung mit § 13 (2) autorisiert ist, einer wesentlichen Änderung des Charakters der Emissionsbedingungen

zuzustimmen.

- (6) *Publication.* Any notices concerning this § 13 shall be made exclusively pursuant to the provisions of the SchVG.

- (6) *Veröffentlichung.* Alle Bekanntmachungen diesen § 13 betreffend erfolgen ausschließlich gemäß den Bestimmungen des SchVG.

#### § 14

#### APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

- (1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law.
- (2) *Submission to Jurisdiction.* Subject to any mandatory jurisdiction for specific proceedings under the SchVG, the place of jurisdiction for any action or other legal proceedings arising out of or in connection with the Notes shall be Frankfurt am Main.
- (3) *Enforcement.* Any Holder of Notes may in any proceeding against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian (as defined below) with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Note in global form certified as being a true copy by a duly authorized officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes. For purposes of the foregoing, "Custodian" means any bank or other financial institution of recognised standing authorized to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the proceedings.

#### § 14

#### ANWENDBARES RECHT, GERICHTSSTAND UND GERICHTLICHE GELTENDMACHUNG

- (1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht.
- (2) *Gerichtsstand.* Vorbehaltlich eines zwingenden Gerichtsstandes für besondere Rechtsstreitigkeiten im Zusammenhang mit dem SchVG, ist Frankfurt am Main Gerichtsstand für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren.
- (3) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage wahrzunehmen oder geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing Systems oder des Verwahrers des Clearing Systems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet "Depotbank" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot

für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems. Unbeschadet des Vorstehenden kann jeder Gläubiger seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land des Rechtsstreits prozessual zulässig ist.

**§ 15**  
**LANGUAGE**

These Terms and Conditions are written in the German language and provided with an English language translation. The German text shall be controlling and binding. The English language translation is provided for convenience only.

**§ 15**  
**SPRACHE**

Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigelegt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.

## GENERAL INFORMATION ABOUT THE ISSUER

### General Information

SAP SE is a European Company (Societas Europaea, or "SE") organized in Germany under European and German law, including Council Regulation (EC) No. 2157/2001 on the Statute for a European Company, the German Act on the Implementation of Council Regulation No. 2157/2001 of 8 October 2001 on the Statute for a European Company (*Gesetz zur Ausführung der Verordnung (EG) Nr. 2157/2001 des Rates vom 8. Oktober 2001 über das Statut der Europäischen Gesellschaft (SE) – SE-Ausführungsgesetz*) of 22 December 2004, and the German Stock Corporation Act (*Aktiengesetz*). SAP SE is registered in the Commercial Register (*Handelsregister*) at the Lower Court (*Amtsgericht*) of Mannheim, Germany, under the entry number HRB 719915. Our legal corporate and our commercial name is "SAP SE". SAP SE's Legal Entity Identifier (LEI) is 529900D6BF99LW9R2E68. SAP SE's website is available at [www.sap.com](http://www.sap.com). The information on SAP SE's website does not form part of this Prospectus unless it is explicitly incorporated by reference into this Prospectus.

Where the context requires in the discussion below, SAP SE refers to its predecessors, Systemanalyse und Programmentwicklung GbR (1972-1976) and SAP Systeme, Anwendungen, Produkte in der Datenverarbeitung GmbH (1976-1988), "SAP Aktiengesellschaft Systeme, Anwendungen, Produkte in der Datenverarbeitung" (1988 – 2005) and "SAP AG" (2005 - 2014).

Our ordinary shares are listed on the Frankfurt Stock Exchange. American Depositary Receipts (ADRs) representing SAP SE ordinary shares are listed on the New York Stock Exchange (NYSE). SAP is a member of Germany's DAX and TecDAX as well as the Dow Jones EURO STOXX 50, the Dow Jones Sustainability Index World, and the Dow Jones Sustainability Index Europe. SAP's principal executive offices, headquarters and registered office are located at Dietmar-Hopp-Allee 16, 69190 Walldorf, Germany. Our telephone number is: +49-6227-7-47474.

### Fiscal Year

SAP SE's fiscal year is the calendar year.

### Objects and Purposes of the Issuer

SAP SE's Articles of Incorporation state that its objects involve, directly or indirectly, the development, production and marketing of products and the provision of services in the field of information technology, including:

- developing and marketing integrated product and service solutions for e-commerce;
- developing software for information technology and the licensing of its use to others;
- organization and deployment consulting, as well as user training, for e-commerce and other software solutions;
- selling, leasing, renting and arranging the procurement and provision of all other forms of use of information technology systems and relevant accessories; and
- making capital investments in enterprises active in the field of information technology to promote the opening and advancement of international markets in the field of information technology.

SAP SE is authorized to act in all the business areas listed above and to delegate such activities to affiliated entities within the meaning of the German Stock Corporation Act; in particular SAP SE is authorized to delegate its business in whole or in part to such entities. SAP SE is authorized to establish branch offices in Germany and other countries, as well as to form, acquire or invest in other companies of the same or related kind and to enter into collaboration and joint venture agreements. SAP SE is further authorized to invest in enterprises of all kinds principally for investment purposes. SAP SE is authorized to dispose of investments, to consolidate the management of enterprises in which it participates, to enter into affiliation agreements with such entities, or to limit its activities to manage its shareholdings.

## **Auditors**

The independent auditors of SAP SE are KPMG AG Wirtschaftsprüfungsgesellschaft, Schlossgartenstr. 1, 68161 Mannheim, Germany ("**KPMG**"), a member of the German Chamber of Public Accountants, Berlin, Germany (*Wirtschaftsprüferkammer*). KPMG has audited the consolidated financial statements of SAP SE and its subsidiaries for the fiscal years ended on 31 December 2018 and 2019 and has, in each case, issued an unqualified auditor's report.

## **Strategy and Business Model**

### Overview of SAP

Founded in 1972, SAP is a global company headquartered in Walldorf, Germany. SAP is the market leader in enterprise application software (according to Gartner Market Share: All Software Markets, Worldwide, 2018) and also the leading experience management, analytics, and business intelligence company (according to Gartner Market Share Analysis: Analytics and BI Software, 2018). The SAP Group has a global presence and employs more than 100,000 people.

As at December 31, 2019, SAP was the most valuable company in the DAX and the 49th most valuable company globally based on market capitalization. SAP was ranked as the most sustainable software company in the Dow Jones Sustainability Indices for the thirteenth consecutive year.

### SAP's Strategy

SAP's strategy is to be the Experience Company powered by the Intelligent Enterprise. Through digital interactions with customers, companies can measure "experiences" – such as customer satisfaction, employee engagement, partner collaboration, and brand impact. These interactions are also opportunities for companies to understand how end users and customers perceive a vendor or a product.

We focus on three key objectives:

- Create a new end-to-end customer experience through a platform for Experience Management that allows businesses to collect, understand, and act on feedback across their customers, employees, products, and brands in real time. In particular, we enable companies to enhance feedback with analytics, so they not only can understand what is being said, but also why.
- Achieve a step change in productivity through the next level of automation in business processes powered by artificial intelligence/machine learning ("**AI/ML**") embedded in every part of the business process (across financials, supply chain, manufacturing, procurement, travel, and human resources). AI is defined as algorithms that learn from data without being explicitly programmed, thus empowering enterprises to scale by automating business processes. The key to doing so is improving the cycle time of business processes and injecting speed and increasing quality wherever possible.
- Help companies engage their workforces by delivering total workforce engagement across full-time and contingent labor.

SAP aims to deliver on these objectives by leveraging the power of data in SAP software with technologies such as AI/ML to build powerful intelligent applications.

Our software, technologies, and services address the three core elements of the intelligent enterprise for the 25 industries and the 12 lines of business ("**LoBs**") we serve:

- An intelligent suite of LoB applications that includes enterprise resource planning ("**ERP**") and digital supply chain management, as well as solutions for customer experience, intelligent spend management, and human experience management. The intelligent suite is integrated and differentiated through industry-specific business processes for end-to-end scenarios.

- A business technology platform to help customers manage data orchestration across their entire application footprint. This includes real-time visibility into distributed data silos using data management solutions and an open cloud platform as a business platform for integration and business process innovation.
- An Experience Management ("XM") platform, bringing together experience data ("X-data") and operational data ("O-data") to help organizations manage four core experiences – customer, employee, product, and brand. This includes using API (Application Programming Interface)-based integration between XM and the intelligent suite to connect X-data with relevant O-data.

### **Environmental, Social, and Governance and UN Sustainable Development Goals**

#### *SAP's Approach to Sustainability*

Our approach to sustainability is twofold: first, our products and services shall help our customers meet their sustainability challenges and opportunities. Second, we aim to lead by example in our own sustainable business operations and practices.

#### *Sustainability Management and Governance*

SAP has a dedicated team which is led by our chief sustainability officer to embed sustainability into SAP's corporate strategy and to drive new sustainability initiatives across the organization

Our Chief Financial Officer is the sponsor for sustainability on the Executive Board, and we also have at least one dedicated senior executive in charge of sustainability in each Board area. These individuals form our Sustainability Council and are responsible for embedding sustainability in their business practices, for example, by setting relevant targets and implementing related programs.

#### *Digital solutions for the Achievement of Sustainability Goals*

We are committed to supporting the United Nations Sustainable Development Goals (UN SDGs). Technology-driven innovation underpins how SAP, together with our customers and our partner ecosystem, can execute initiatives across all 17 of the UN SDGs. One example is the Climate 21 program that SAP has designed to support our customers on the journey into a low-carbon future by helping them understand and optimize the CO2 footprint of their products and operations along the entire value chain.

#### *Role Model Function for Sustainability*

In our business operations and practices, we are committed to respecting human rights, to operating and developing ethically, and to reducing our environmental footprint. We continue our long-standing commitment to the UN Global Compact along the value chain. We meet our social responsibility for example by enhancing digital skills, health, equality and inclusive work within and beyond SAP.

We are committed to making our operations carbon neutral by 2025. Furthermore, in 2017, SAP joined the Science Based Targets initiative (SBTi) as the first German company to do so. We comply with the initiative's ambitious requirements and are committed to reducing emissions by 85% by 2050 compared to the base-year level 2016, including energy consumption of our products in use at our customers. This target reflects the level of decarbonization required to keep the global temperature increase below 1.5°C compared to pre-industrial temperatures.

#### *ESG Ratings*

As AAA-rated by MSCI ESG Ratings (since May 2016), SAP is determined as "ESG leader" in the software and services industry according to the methodology of MSCI (<https://www.msci.com/esg-ratings/issuer/sap-se/IID000000002705885>). SAP has also been appointed as software sector lead in the Dow Jones Sustainability Index (DJSI) (<https://yearbook.robecosam.com/ranking/#i54>).



### Acquisitions

We will continue to focus on organic investments in technology and innovations that ensure sustainable growth of our solution portfolio to drive our short-term, mid-term, and long-term ambitions. Additionally, we may make targeted acquisitions to complement our solution offerings and improve coverage in key strategic markets.

In January 2019, we acquired Qualtrics International, Inc., a leader in the Experience Management (XM) software category that enables organizations to thrive in today's economy. The acquisition closed on January 23, 2019. Together, SAP and Qualtrics are working to accelerate the new XM category by combining experience data and operational data to power the experience economy.

### Sapphire Ventures

In addition to our investments in organic growth and acquisitions, SAP also supports entrepreneurs that aspire to build industry-leading businesses, through venture capital funds managed by Sapphire Ventures. Sapphire Ventures manages over US\$3.5 billion and has invested in more than 160 companies (as of December 31, 2019). These include growth-stage technology companies and early-stage venture capital funds. Sapphire Ventures pursues opportunities in which it can help fuel enterprise growth by adding expertise, relationships, geographic reach, and capital. It places a particular focus on companies in Europe, Israel, and the United States. In addition to our venture investments through Sapphire Ventures, SAP also has the SAP.iO Fund, managed by Sapphire Ventures, that focuses on strategic early-stage investments in enterprise software startups. As a part of the SAP.iO Fund, SAP has also committed to invest up to 40 per cent. of the investable capital in underrepresented groups in enterprise software to foster diversity and inclusion, such as startups founded or led by female entrepreneurs.

### Organizational Structure

SAP SE is the parent company of the SAP Group. As at December 31, 2019, the SAP Group comprised 264 companies that develop, distribute, and provide our products, solutions, and services.

The following table sets forth our most significant subsidiaries based on total revenues of SAP group in 2019. All of these subsidiaries are wholly owned by SAP SE.

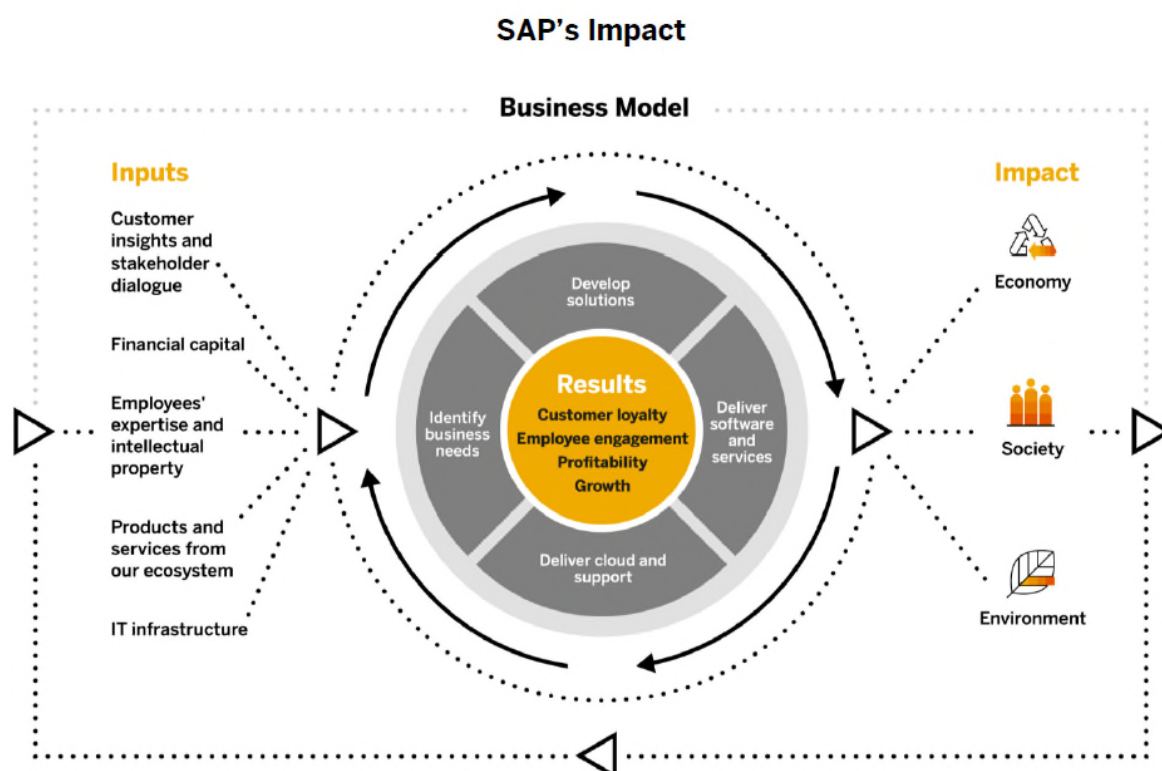
Name of Subsidiary	Country of Incorporation
<b>Germany</b>	
SAP Deutschland SE & Co. KG, Walldorf	Germany
<b>Rest of EMEA</b>	
LLC SAP CIS, Moscow	Russia
SAP (Schweiz) AG, Biel	Switzerland
SAP (UK) Limited, Feltham	United Kingdom
SAP España – Sistemas, Aplicaciones y Productos en la Informática, S.A.,	Spain
SAP France, Levallois Perret	France
SAP Italia Sistemi Applicazioni Prodotti in Data Processing S.p.A., Vimercate	Italy
SAP Nederland B.V., 's-Hertogenbosch	The Netherlands
<b>United States</b>	
Ariba, Inc., Palo Alto	USA
Concur Technologies, Inc., Bellevue	USA
SAP America, Inc., Newtown Square	USA
SAP Industries, Inc., Newtown Square	USA
SAP National Security Services, Inc., Newtown Square	USA
SuccessFactors, Inc., South San Francisco	USA
Qualtrics, LLC, Wilmington	USA
<b>Rest of Americas</b>	
SAP Brasil Ltda., São Paulo	Brazil
SAP Canada, Inc., Toronto	Canada

<b>Japan</b>	
SAP Japan Co., Ltd., Tokyo	Japan
<b>Rest of APJ</b>	
SAP Australia Pty Ltd., Sydney	Australia
SAP China Co., Ltd., Shanghai	China
SAP India Private Limited, Bangalore	India

**Business Model**

We develop and deliver software, services, and support that address the business needs of our customers. Through close collaboration with our customers and partners, we aim to ensure that our software creates value for our customers. Based on customer feedback, we continuously improve our solutions and identify further business needs.

By developing software, providing our software and services to our customers, and engaging them in feedback, we generate results for SAP such as growth, profitability, employee engagement, and customer loyalty.



**Revenue by region**

*EMEA Region*

In 2019, the EMEA region generated EUR 12,105 million in revenue (2018: EUR 11,104 million), which was 44 per cent. of total revenue (2018: 45 per cent.). This represents a year-over-year increase of 9 per cent. Revenue in Germany increased 8 per cent. to EUR 3,948 million (2018: EUR 3,658 million). Germany contributed 33 per cent. (2018: 33 per cent.) of all EMEA region revenue. The remaining revenue in the EMEA region was primarily generated in the United Kingdom, France, Switzerland, the Netherlands, and Italy. Cloud and software revenue generated in the EMEA region totaled EUR 10,211 million (2018: EUR 9,339 million). That was 84 per cent. of all revenue from the region (2018: 84 per cent.).

Cloud revenue in the EMEA region rose 47 per cent. to EUR 2,115 million in 2019 (2018: EUR 1,441 million). Software licenses and software support revenue rose 3 per cent. to EUR 8,096 million in 2019 (2018: EUR 7,898 million).

### *Americas Region*

In 2019, 41 per cent. of our total revenue was generated in the Americas region (2018: 39 per cent.). Total revenue in the Americas region increased 15 per cent. to EUR 11,194 million; revenue generated in the United States increased 15 per cent. to EUR 9,085 million. The United States contributed 81 per cent. (2018: 81 per cent.) of all revenue generated in the Americas region. In the remaining countries of the Americas region, revenue increased 15 per cent. to EUR 2,109 million. Revenue in the remaining countries of the Americas region was generated primarily in Canada, Brazil, and Mexico. Cloud and software revenue generated in the Americas region totaled EUR 9,172 million (2018: EUR 7,973 million). That was 82 per cent. of all revenue from the region (2018: 82 per cent.).

Cloud revenue in the Americas region rose 34 per cent. to EUR 3,945 million in 2019 (2018: EUR 2,941 million). Software licenses and software support revenue was EUR 5,227 million in 2019 (2018: EUR 5,032 million).

### *APJ Region*

In 2019, 15 per cent. (2018: 16 per cent.) of our total revenue was generated in the APJ region. Total revenue in the APJ region increased 9 per cent. to EUR 4,254 million. In Japan, revenue increased 23 per cent. to EUR 1,180 million. Revenue from Japan was 28 per cent. (2018: 25 per cent.) of all revenue generated in the APJ region. In the remaining countries of the APJ region, revenue increased 5 per cent. Revenue in the remaining countries of the APJ region was generated primarily in Australia, China, and India. Cloud and software revenue in the APJ region totaled EUR 3,629 million (2018: EUR 3,310 million). That was 85 per cent. of all revenue from the region (2018: 85 per cent.).

Cloud revenue in the APJ region rose 43 per cent. to EUR 872 million in 2019 (2018: EUR 611 million). Software licenses and software support revenue increased from EUR 2,699 million in 2018 to EUR 2,757 million in 2019. This reflects a rise of 2 per cent.

### Seasonality

Our business has historically experienced the highest revenue in the fourth quarter of each year, due primarily to year-end capital purchases by customers. Such factors have resulted in 2019, 2018, and 2017 first quarter revenue being lower than revenue in the prior year's fourth quarter. We believe that this trend will continue in the near future and that our total revenue will continue to peak in the fourth quarter of each year and decline from that level in the first quarter of the following year. Unlike our on-premise software revenues, our on-premise support revenues and cloud revenues are less subject to seasonality.

### **Products, Research and Development, and Services**



### Product Innovation Strategy

SAP invests in the following three types of innovation:

- Continuous innovation involves incremental improvements to existing offerings.
- Adjacent innovation describes enhancements to the existing portfolio using new technologies or applying existing knowledge to new markets to gain new customers.
- Transformative innovation occurs as a result of new trends, technologies, and business models.

### **Experience**

Experience Management (XM) refers both to the discipline of seeking out and closing the gaps found in the four core experiences of business – customer, product, employee, and brand – as well as technology. Qualtrics XM Platform represents the technology that came to SAP with the acquisition of Qualtrics International, Inc., in 2019.

Qualtrics XM Platform includes the following:

- Qualtrics CoreXM provides a foundation for XM and aims to help analyze experience data (X-data).
- Qualtrics CustomerXM brings new capabilities to support specific use cases and help process customer feedback.
- Qualtrics EmployeeXM delivers new capabilities to gather employee feedback and propose actions for human resources (HR) to help improve the employee experience.
- Qualtrics ProductXM identifies consumers' favorite products based on feedback from users.
- Qualtrics BrandXM aims to make visible consumer sentiment towards a brand.

### **Intelligence**

The Business Technology Platform was introduced in 2019. It provides solutions across four key technology areas: database and data management (SAP HANA); analytics (SAP Analytics Cloud); application development and integration (SAP Cloud Platform); and intelligent technologies (Internet of Things, machine learning, and blockchain) on an open cloud platform, running in SAP data centers and on selected hyperscalers. The platform's business-centric technologies are designed to enable integration and innovation across the entire intelligent suite.

#### *Database and Data Management*

##### **SAP HANA**

The innovative architecture in SAP HANA allows both transactional processing for data capture and retrieval, and analytical processing for business intelligence and reporting. It enables businesses to process and analyze live data and make business decisions based on the most up-to-date information. SAP HANA is available both on premise and as a service in the cloud with SAP Cloud Platform across multiple cloud environments. In 2019, we released the latest SAP HANA innovations including enhanced capabilities in our data anonymization functionality and hyperconverged infrastructure (HCI) certification. SAP HANA is also the first major database optimized for Intel Optane DC persistent memory. As part of SAP's own digital transformation, SAP completed the move of SAP SuccessFactors solutions to SAP HANA in 2019.

##### **Enterprise Information Management**

SAP solutions for enterprise information management (EIM) provide capabilities to understand, integrate, cleanse, manage, associate, and archive data. This includes the on-premise solution SAP Data Hub and the cloud service SAP Data Intelligence, which have been designed to help businesses connect their siloed data assets and manage the discovery, refinement, governance, and orchestration of all data across a distributed data landscape. The data landscape can include SAP software systems (such as SAP S/4HANA, SAP C/4HANA, and SAP BW/4HANA) as well as third-party systems. SAP Data Intelligence also includes machine learning (ML) services and tooling.

#### *Analytics*

Business analytics tools from SAP help customers get insights to enable them to adapt their businesses in real time.

- **SAP Analytics Cloud**

SAP Analytics Cloud is a cloud analytics solution running on SAP HANA that brings together the domains of business intelligence, predictive capabilities, and enterprise planning. Customers can discover, analyze, plan, and predict in one solution and make decisions. It provides a single user experience across all devices to help customers make end-to-end business decisions.

- **SAP BusinessObjects Business Intelligence**

SAP BusinessObjects Business Intelligence (BI) suite is a set of flexible and scalable self-service BI tools, designed to give customers discovery and insights in real time.

- **SAP Data Warehouse Cloud**

Released in 2019, SAP Data Warehouse Cloud is a cloud data warehouse solution designed for business and IT users with capabilities for data integration, database, data warehousing, and analytics. It is an open solution built on SAP HANA.

- **SAP BW/4HANA**

SAP BW/4HANA is our on-premise data warehouse solution built entirely on SAP HANA. It includes an analytics layer that processes data directly in-memory on the database, instead of at the application layer, as is the case with traditional analytical engines.

#### *Application Development and Integration*

Our open Business Technology Platform helps customers extend and integrate SAP applications with third-party solutions and build new business applications with intelligent capabilities at scale.

- **SAP Cloud Platform**

SAP Cloud Platform provides an integration and extension platform that allows customers to build solutions as cloud services, with intuitive tools and support to address industry and line-of-business (LoB) processes.

#### *Intelligent Technologies*

SAP uses the term intelligent technologies to describe tools and technology designed to turn intelligence into business outcomes such as ML, AI, Internet of Things (IoT), and blockchain. Intelligent technologies are embedded within our operations suite of applications and applied to processes that integrate both SAP and third-party data and applications.

- **SAP Leonardo Internet of Things**

The SAP Leonardo IoT solution provides industry-specific business services and capabilities, designed to embed device and telemetry data into SAP applications. It also offers prepackaged scenarios in the SAP Field Service Management solution in the SAP C/4HANA suite, business scenario content templates, and interoperability with hyperscalers, such as Amazon Web Services IoT Core and Microsoft Azure IoT Hub.

- **SAP Leonardo Artificial Intelligence**

The SAP Leonardo Artificial Intelligence (AI) functionality has already been integrated in the SAP portfolio, providing intelligent capabilities in SAP S/4HANA, SAP C/4HANA, SAP Concur, SAP Fieldglass, and SAP SuccessFactors solutions, among others.

- **SAP Leonardo Blockchain**

SAP Leonardo Blockchain capabilities are designed to enable open business collaboration across company boundaries in decentralized networks. These blockchain technologies are integrated into SAP Cloud Platform.

**Operations**

Integrated with SAP S/4HANA and built on an open cloud platform to enable integration across heterogeneous environments, our operations offerings can connect to third-party applications and data. Following the acquisition of Qualtrics in 2019, we added Experience Management (XM) capabilities to our operations solutions.

*Customer*

- **SAP C/4HANA**

SAP C/4HANA is our customer experience suite. All five cloud areas – commerce, marketing, service, sales, and customer data – have been recognized by industry analysts as leaders in their respective categories.

XM capabilities from Qualtrics have been integrated across the suite, specifically within our commerce, marketing, sales, and service offerings.

*SAP S/4HANA*

SAP S/4HANA is our next-generation Intelligent ERP suite. Running on SAP HANA, SAP S/4HANA includes intelligent technologies and integrated business processes with real-time analytics to support rapid decision-making. Approximately 13,800 customers across 25 industries have chosen SAP S/4HANA. This represents a 24 per cent. increase year over year, up from 8,500 in 2017 and 11,100 in 2018. The suite provides software capabilities for human resources, sales, service, procurement, manufacturing, asset management, as well as research and development. In Q4/2019, SAP updated the definition of SAP S/4HANA to more closely reflect categories commonly covered by ERP. These categories include elements of digital supply chain management, finance/controlling, and risk management. SAP S/4HANA is built with an open architecture to connect to the entire SAP portfolio and beyond.

*Flexible Deployment Options*

SAP offers a choice of SAP S/4HANA deployments – software as a service ("**SaaS**"), on premise, in a private cloud, or as a hybrid deployment. SAP S/4HANA Cloud offers the advantages of SaaS, such as scalability and quarterly innovation updates, whereas SAP S/4HANA on premise delivers updates on an annual cycle.

In 2019, we also announced a go-to-market partnership with Microsoft called "Embrace" to accelerate customer adoption of SAP S/4HANA and SAP Cloud Platform on Microsoft Azure.

*Supply Chain*

The SAP Digital Supply Chain portfolio offers an integrated suite of solutions to help plan, design, manufacture, deliver, and operate products.

- **Integrated Business Planning**

SAP Integrated Business Planning for Supply Chain is a cloud-based solution powered by SAP HANA and designed to deliver real-time supply chain planning capabilities for sales and operations, demand, response and supply planning, and inventory optimization.

*Manufacturing*

SAP Intelligent Asset Management solutions aim to help define, plan, and monitor a service and maintenance strategy for physical products and assets along the manufacturing lifecycle.

## *Human Resources (HR)*

### - **SAP SuccessFactors**

SAP SuccessFactors solutions aim to increase the value of a workforce by developing, managing, engaging, and empowering people. In 2019, SAP changed the name of SAP SuccessFactors HCM Suite to SAP SuccessFactors Human Experience Management (HXM) Suite, as XM functionality from Qualtrics has been integrated into the software. Further, HXM solutions from SAP provide offerings for core HR and payroll, talent management, employee experience, people analytics, and workforce planning.

## *Procurement*

Our Intelligent Spend Management program brings together SAP Ariba, SAP Concur, and SAP Fieldglass solutions. In 2019, we strengthened integration between these solutions and SAP S/4HANA to help customers manage the three primary categories of supplier spending: procurement of indirect and direct goods; travel and expense; and external workforce management.

### - **SAP Ariba**

SAP Ariba solutions offer an online business-to-business marketplace. In 2019, we announced partnerships with Barclaycard Commercial Payments, American Express, and Standard Chartered Bank, establishing new payment and financial supply chain solutions on Ariba Network.

### - **SAP Fieldglass**

SAP Fieldglass solutions are cloud-based applications for contingent workforce management and services procurement.

### - **SAP Concur**

SAP Concur solutions aim to deliver a connected spend management system that encompasses travel, expense, invoice, compliance, and risk.

## **SAP Digital Business Services**

In addition to software and technology, SAP provides an entire portfolio of services and support offerings designed to help customers maximize the value of their SAP solutions in on-premise, cloud, and hybrid environments. In 2019, we continued a process that began in 2017 to simplify the SAP services and support portfolio and expand our range of intelligent tools to underpin services and support offerings for the intelligent enterprise, including XM services. This simplification established three portfolio categories to address customers' needs for as long as they use SAP software – premium success, project success, and continuous success.

### - **Premium Success**

Our premium success services support large-scale transformation initiatives through a single, strategic, and customized on-site engagement. Our team of SAP experts help customers design, deploy, adopt, and operate SAP solutions on premise, hybrid, or in the cloud. The offerings differ based on size of customer and intensity of engagement.

### - **Project Success**

Our project success services support the adoption of SAP products and technologies. These include services to help deliver a digital business strategy, preconfigured content for multiple industries or lines of business, best practices, methodologies, and tools. Further, these offerings also support the use of emerging technologies and the implementation of or transition to SAP S/4HANA.

- **Continuous Success**

Our continuous success services support our cloud solutions and on-premise software. We offer services to provide proactive, predictive, and preventive support across hybrid landscapes to help customers move to the cloud and make SAP S/4HANA their Intelligent ERP of choice as well as bundled customer success activities to accelerate cloud adoption.

- **Intelligent Tools**

We also provide intelligent tools to help guide and deliver application management and administrative support for our service offerings.

*Ecosystem*

SAP's ecosystem consists of more than 20,000 partners worldwide that build, sell, service, and run SAP solutions and technology.

Our partner ecosystem drives the bulk of SAP's presence among small and midsize enterprise (SME) customers. In 2019, SAP announced a new initiative, Next-Generation Partnering, aimed to make partnerships simpler and more profitable for the ecosystem. Next-Generation Partnering emphasizes partner innovation and monetization through SAP App Center, where customers can discover, try, buy, manage, and deploy trusted partner applications that extend their existing SAP technology and solutions.

**Investment in R&D**

In 2019, our IFRS R&D ratio, reflecting R&D expenses as a portion of total operating expenses, decreased by 0.5 percentage points (pp) to 18.6 per cent. (2018: 19.1 per cent.). Our non-IFRS R&D ratio increased by 0.4pp to 19.8 per cent. year over year (2018: 19.4 per cent.). At the end of 2019, our total full-time equivalent ("FTE") headcount in development work was 27,634 (2018: 27,060). Measured in FTEs, our R&D headcount was 28 per cent. of total headcount (2018: 28 per cent.).

Total R&D expense not only includes our own personnel costs but also the external costs of work and services from the providers and cooperation partners we work with to deliver and enhance our products. We also incur external costs for the following:

- Translating, localizing, and testing products
- Obtaining certification for products in different markets
- Patent attorney services and fees
- Consulting related to our product strategy
- Professional development of our R&D workforce

**Patents**

SAP actively seeks intellectual property protection for innovations and proprietary information. Our software innovations continue to strengthen our market position as a leader in business solutions and services. Our investment in R&D has resulted in numerous patents. As at December 31, 2019, SAP held a total of more than 10,270 validated patents worldwide. Of these, 924 were granted and validated in 2019.

While our intellectual property is important to our success, we believe our business as a whole is not dependent on any particular patent or a combination of patents.

**Recent Developments**

On November 4, 2019, SAP announced it would enhance capital return in addition to the regular dividend and repurchase shares and/or issue a special dividend with a combined volume of EUR 1.5 billion by December 31, 2020. In February 2020, the Supervisory Board approved the Executive Board's decision to use the entire EUR 1.5 billion of



enhanced capital return for 2020 exclusively to buy back shares. The buyback program began on February 20, 2020 and was finalized on March 19, 2020.

On April 1<sup>st</sup>, 2020, a Eurobond tranche (issued in 2015) with a volume of EUR 650 million matured and was repaid. On May 6, 2020, commercial papers in the amount of EUR 170 million were repaid.

On April 21<sup>st</sup>, 2020, SAP announced that Jennifer Morgan stepped down as Co-Chief Executive Officer and that Christian Klein became sole Chief Executive Officer with immediate effect. Jennifer Morgan departed the company effective on April 30, 2020.

In the context of the current COVID-19 pandemic, SAP published an ad hoc announcement pursuant to Article 17 of the Market Abuse Regulation (Regulation (EU) No 596/2014) on 8 April 2020. As the impact of the current COVID-19 crisis rapidly intensified towards the end of the first quarter of 2020, a significant amount of new business was postponed. This is reflected, in particular, in a significant decrease in software licenses revenue in the first quarter of 2020 compared to the first quarter of 2019. SAP responded to the new environment by adopting a virtual sales and remote implementation strategy. Further, to protect profitability, SAP is slowing hiring and reducing discretionary spend in addition to natural savings e.g. from lower travel and virtualized events.

The current COVID-19 pandemic and its potential impact on the global economy may affect our ability to meet our financial targets. However, at the date of this Prospectus it is difficult to predict the impacts on our business or our financial targets.

On May 4, 2020, SAP published an ad hoc announcement pursuant to Article 17 of the Market Abuse Regulation in which SAP addressed gaps in connection with its contractual cybersecurity infrastructure terms relating to certain parts of its cloud products. In the course of its continuous review and optimization of its cybersecurity infrastructure, SAP identified that some of its cloud products do not meet one or several contractually agreed or statutory IT security standards at present. Specifically, the affected products are limited to the acquired entity products SAP Success Factors, SAP Concur, SAP/CallidusCloud Commissions, SAP/Callidus Cloud CPQ; as well as SAP C4C/Sales Cloud, SAP Cloud Platform and SAP Analytics Cloud. Approximately 9 per cent. of SAP's 440,000 customers are affected.

These findings were not identified in response to a security incident. As SAP continues with its review, it does not believe that any customer data has been compromised as a result of these issues. In an effort to ensure that the affected products meet relevant terms and conditions and in addition to technical remediation, SAP has decided to update its security-related terms and conditions. Moreover, SAP has initiated remediation of the identified areas of shortcomings against contractually agreed or statutory standards and will proceed expeditiously. Remediation is expected to largely be completed in the second quarter 2020. At this stage, we do not expect that the expenses related to the remediation will have an impact on our financial targets.

## **Corporate Governance of SAP SE**

### **Supervisory Board, Executive Board and Annual Meeting of Shareholders**

SAP SE, as a European Company with a two-tier board system, is governed by three separate bodies: the Supervisory Board, the Executive Board and the Annual General Meeting of Shareholders. Their rules are defined by European and German law, by the Agreement on the Involvement of Employees in SAP SE ("**Employee Involvement Agreement**"), by the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*) and by SAP's Articles of Incorporation (*Satzung*). The members of the SAP SE Supervisory Board and the SAP SE Executive Board are listed below.

#### **The Supervisory Board**

The following table sets out the names of the members of SAP SE's Supervisory Board and in addition their principal occupations and their positions outside of the Issuer as at 31 December 2019:

**Prof. Dr. h.c. mult. Hasso Plattner** 2), 4), 6)  
Chairman

**Margret Klein-Magar** 1), 2), 3)  
Deputy Chairperson

Vice President, Head of SAP Alumni Relations  
Chairperson of the Spokespersons' Committee of Senior Managers of SAP SE

**Pekka Ala-Pietilä** 2), 6), 7)  
Chairman of the Board of Directors, Huhtamäki Oyj, Espoo, Finland

Chairman of the Board of Directors, Sanoma Corporation, Helsinki, Finland

**Panagiotis Bissiritsas** 1), 2), 3), 5)  
Member of SAP SE Works Council and Member of SAP SE Works Council (Europe)

**Aicha Evans** 2), 4), 7)  
Chief Executive Officer and Member of the Board of Directors, Zoox, Inc., Foster City, CA, United States

**Diane Greene** 4), 6)  
Board of Directors, Stripe Inc., San Francisco, CA, United States

**Prof. Dr. Gesche Joost** 4), 7)  
Professor for Design Research and Head of the Design Research Lab, University of Arts Berlin

Supervisory Board, Ottobock SE & Co. KGaA, Duderstadt, Germany  
Supervisory Board, ING-DiBa AG, Frankfurt, Germany

**Monika Kovachka-Dimitrova** 1), 4), 7)  
Chief Project Expert Development  
Member of SAP SE Works Council (Europe)

**Lars Lamadé** 1), 2), 4)  
Head of Sponsorships Europe and Asia

Supervisory Board, Rhein-Neckar Loewen GmbH, Kronau, Germany

**Bernard Liautaud** 2), 4), 6)  
Managing Partner Balderton Capital, London, United Kingdom  
Board of Directors, nlyte Software Ltd., London, United Kingdom  
Board of Directors, Vestiaire Collective SA, Levallois-Perret, France  
Board of Directors, Dashlane, Inc., New York, NY, United States  
Board of Directors, eWise Group, Inc., Redwood City, CA, United States  
Board of Directors, Qubit Digital Ltd., London, United Kingdom  
Board of Directors, Aircall.io, New York City, NY, United States  
Board of Directors, Virtuo Technologies, Paris, France  
Board of Directors, The Hut Group, Manchester, United Kingdom  
Board of Directors, Peakon Aps, Copenhagen, Denmark  
Board of Directors, Tim Talent SAS, Paris, France  
Board of Directors, Citymapper Ltd., London, United Kingdom  
Board of Directors, Toucan Toco SAS, Paris, France (from November 14, 2019)  
Board of Directors, Containous SAS, Lyon, France (from December 16, 2019)

**Gerhard Oswald** 3), 4), 5), 7)  
Managing Director of Oswald Consulting GmbH, Walldorf, Germany

Advisory Board, TSG 1899 Hoffenheim Fußball-Spielbetriebs GmbH, Sinsheim, Germany

**Christine Regitz** 1), 2), 4), 5)  
Vice President User Experience  
Chief Product Expert

**Dr. Friederike Rotsch** 2), 3), 5)  
Group General Counsel and Head of Group Legal & Compliance, Merck KGaA, Darmstadt, Germany

**Heike Steck** 1), 4), 7)  
Senior Operations Manager  
Member of SAP SE Works Council and Member of SAP SE Works Council (Europe)

**Christa Vergien-Knopf** 1), 4, 7)

Member of SAP SE Works Council and Member of SAP SE Works Council (Europe)

**Dr. Gunnar Wiedenfels** 3), 5)

Chief Financial Officer, Discovery Communications, Inc., New York, NY, United States

Board of Directors, Motor Trend Group, LLC, El Segundo, CA, United States

Board of Directors, OWN LLC, West Hollywood, CA, United States

**James Wright** 1), 3), 4), 5)

Chairman of SAP SE Works Council (Europe)

**Ralf Zeiger** 1), 2), 7)

Chairman of SAP SE Works Council and Member of SAP SE Works Council (Europe)

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1) Appointed by the SAP SE Works Council (Europe)

2) Member of the SAP SE's General and Compensation Committee

3) Member of the SAP SE's Audit Committee

4) Member of the SAP SE's Technology and Strategy Committee

5) Member of the SAP SE's Finance and Investment Committee

6) Member of the SAP SE's Nomination Committee

7) Member of the SAP SE's People and Organization Committee

The business address of the members of the Supervisory Board is Dietmar-Hopp-Allee 16, 69190 Walldorf.

### **The Executive Board**

The current members of the Issuer's Executive Board, their areas of responsibility and their positions outside of the Issuer are as follows:

#### **Christian Klein**

Chief Executive Officer

Intelligent Enterprise Group

Global Business Operations, IT Services

#### **Adaire Fox-Martin**

Customer Success

Global Sales, Services and Customer Engagement Organization

Board of Directors, Equinix, Inc., Redwood City, CA, United States (from January 1, 2020)

#### **Luka Mucic**

Chief Financial Officer

Global Finance and Administration including Investor Relations, Internal Audit, and Data Protection & Privacy

Supervisory Board, HeidelbergCement AG

#### **Jürgen Müller**

Chief Technology Officer

Technology & Innovation

Technology and Innovation Strategy, SAP HANA, SAP Cloud Platform, SAP Leonardo, SAP Analytics

#### **Stefan Ries (until May 31, 2020)**

Chief Human Resources Officer, Labor Relations Director

HR Strategy, Business Transformation, Leadership Development, Talent Development

Supervisory Board, Rhein-Neckar Loewen GmbH, Kronau, Germany

(Stefan Ries will leave SAP as of May 31, 2020. A successor has not yet been designated.)

## **Thomas Saueressig**

SAP Product Engineering

Global Responsibility for all Business Software Applications, including all functional areas from Product Strategy and Management to Product Development and Innovation as well as Product Delivery and Support.

The business address of the members of the Executive Board is Dietmar-Hopp-Allee 16, 69190 Walldorf.

### **Conflicts of Interest**

As of the date of this Prospectus, the above mentioned members of the Executive Board and the Supervisory Board of SAP SE do not have potential conflicts of interests between any duties to SAP SE and their private interests or other duties.

### **Corporate Governance Statement, Including Corporate Governance Report**

The German Commercial Code, section 315d in connection with section 289f, requires that, as a listed company, SAP SE annually publishes a corporate governance statement (*Erklärung zur Unternehmensführung*) either as part of its management report or on its internet website. The Executive Board and the Supervisory Board of SAP SE issued the Corporate Governance Statement, which also includes the Corporate Governance Report, on February 18, 2020, and published it on SAP's internet website.

### **Corporate Governance Code**

The German Stock Corporation Act requires the executive and the supervisory board of publicly listed companies like SAP to declare annually that the recommendations set forth in the German Corporate Governance Code have been and are being complied with or which of the recommendations have not been or are not being complied with and why not. SAP has published its most recent Declaration of Implementation in October 2019. Declarations from 2012 forward are available on the SAP internet website.

## **Issued Capital**

As of 31 March 2020, SAP SE's issued capital amounts to EUR 1,228.5 million and is divided into 1,228.5 million ordinary no-par value shares issued in bearer form, each with a nominal value of EUR 1.00. All shares are fully paid in.

As of 31 March 2020, SAP SE held 48.9 million treasury shares.

## **Major Shareholders**

The share capital of SAP SE consists of ordinary shares, which are issued only in bearer form. Accordingly, SAP SE generally cannot determine the identity of its shareholders or how many shares a particular shareholder owns. To the extent known to SAP from the information reported by certain shareholders regarding their beneficial ownership of the ordinary shares, SAP has no major shareholders who own 10 per cent. or more of the outstanding ordinary shares.

## **Selected Financial Information about SAP Group**

The following table sets out selected financial information relating to the SAP Group. The information has been extracted from the audited consolidated financial statements of SAP Group for the fiscal years ended 31 December 2019 and 2018 as well as the unaudited quarterly statement for the period ended March 31, 2020. These consolidated financial statements of SAP Group have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU (IFRS).

**EUR in million**

	<b>Quarterly statement ended 31 March 2020</b>	<b>Quarterly statement ended 31 March 2019</b>	<b>Financial year ended 31 December 2019</b>	<b>Financial year ended 31 December 2018</b>
	(unaudited)	(unaudited)	(audited)	(audited)
Total revenue	6,521	6,091	27,553	24,708
Software licenses and support	3,386	3,489	16,080	15,628
Operating profit	1,210	-136	4,473	5,703
Profit after tax	811	-108	3,370	4,088

	<b>Quarterly statement 31 March 2020</b>	<b>Financial year ended 31 December 2019</b>	<b>Financial year ended 31 December 2018</b>
	(unaudited)	(audited)	(audited)
Cash and cash equivalents	7,816	5,314	8,627
Total assets	62,947	60,215	51,502
Total equity	30,770	30,822	28,877
Issued capital	1,229	1,229	1,229
Current bank loans (nominal volume)*		21	9
Non-current bank loans (nominal volume)*		2,000	49
Private placement transaction (nominal volume)*		1,030	1,011
Bond (nominal volume)*		9,517	10,262
Commercial papers*		1,100	-

\* This information is not included in the Quarterly statement 31 March 2020 and therefore not included in the respective column of the above table.

## **Material Contracts**

### **Revolving credit facility**

SAP is a party to a committed EUR 2.5 billion revolving credit facility contract with maturity in November 2024. The credit facility may be used for general corporate purposes. So far, SAP has not used and does not currently foresee any need to use this credit facility.

### **Qualtrics Term Loan**

In November 2018, SAP entered into a facility agreement of EUR 7.0bn to finance the acquisition of Qualtrics. After refinancing EUR 4.5bn in December 2018, the remaining term loan component of EUR 2.5bn was syndicated amongst 19 banks in January 2019. EUR 2.0bn are currently outstanding which can flexibly be repaid until maturity in January 2022.

### **Senior Bonds**

In November 2014, SAP issued three tranches of Eurobonds with a total volume of EUR 2.75 billion, of which two tranches in the amount of EUR 1.0 billion each and maturities in 2023 and 2027 are outstanding as at the date of this Prospectus.

In April 2015, SAP issued three tranches of Eurobonds with a total volume of EUR 1.75 billion, of which one tranche in the amount of EUR 600 million with maturity in 2025 is outstanding as at the date of this Prospectus.

In March 2018, SAP issued three tranches of Eurobonds with a total volume of EUR 1.5 billion, of which all tranches in the amount of EUR 500 million each and maturities in 2021, 2026 and 2030 are outstanding as at the date of this Prospectus.

In September 2018, SAP privately placed a USD denominated bond amounting to USD 300 million and maturity in 2025.

In December 2018, SAP issued five tranches of Eurobonds with a total volume of EUR 4.5 billion, of which all tranches of EUR 500 million, EUR 900 million, EUR 850 million, EUR 1,000 million and EUR 1,250 million and maturities in 2020, 2022, 2024, 2028 and 2031 are outstanding as at the date of this Prospectus.

### **U.S. private placements**

In November 2012, SAP issued five tranches of U.S. private placements with a total volume of USD 1.4 billion and maturities between 2017 and 2027, of which an amount of USD 1.16 billion is outstanding as at the date of this Prospectus.

### **Commercial Paper Program**

In September 2019, SAP launched a commercial paper program which enables SAP to issue short-term notes up to EUR 2.5 billion. As of April 30, 2020, a volume of EUR 1.1 billion was outstanding.

### **Share Buyback Program**

SAP completed its share buyback program of approximately EUR 1.5bn in the first quarter of 2020. The payment of the buyback will be done in instalments in 2020 according to a pre-defined payment plan.

## TAXATION

### Warning on tax consequences

Income received from the Notes is subject to taxation. In particular, the tax laws of any jurisdiction with authority to impose taxes on the investor and the tax laws of the Issuer's state of incorporation, statutory seat and place of effective management, i.e. Germany, might have an impact on the income received from the Notes.

The Issuer does not assume any responsibility for the withholding of taxes at the source. The following is a general discussion of certain tax consequences under the tax laws of Germany of the acquisition, ownership and sale of Notes. This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. The following section only provides some very general information on the possible tax treatment. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular investor. This overview is based on the laws of Germany currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect. Potential investors in the Notes should be aware that (i) the tax treatment of payments in respect of the Notes may be different (and in some cases significantly different) from that set out below, and (ii) tax regulations and their application by the relevant taxation authorities may change from time to time. Accordingly, it is not possible to predict the precise tax treatment of the Notes which will apply at any given time. As a result, potential investors of the Notes who are in any doubt as to their tax position should consult their own independent tax advisers.

Prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

**PROSPECTIVE INVESTORS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISERS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES UNDER THE TAX LAWS APPLICABLE IN GERMANY AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS.**

### I. Germany

#### 1. Tax Residents

Investors (individuals and corporate entities) who are tax resident in Germany (in particular, persons having a residence, habitual abode, statutory seat or place of management in Germany) are subject to income taxation (income tax or corporate income tax, as the case may be, plus solidarity surcharge thereon plus church tax and/or trade tax, if applicable) on their worldwide income, regardless of its source, including interest from debt of any kind (such as the Notes) and, in general, capital gains.

#### a. Taxation if the Notes are held as private assets (*Privatvermögen*)

In the case of German tax resident individual investors (*unbeschränkt Steuerpflichtige*) holding the Notes as private assets (*Privatvermögen*), the following applies:

#### i. Income

The Notes qualify as other capital receivables (*sonstige Kapitalforderungen*) in terms of section 20 para 1 no 7 German Income Tax Act ("**ITA**" – *Einkommensteuergesetz*).

Accordingly, payments of interest on the Notes should qualify as taxable savings income (*Einkünfte aus Kapitalvermögen*) pursuant to section 20 para 1 no 7 ITA.

Capital gains / capital losses realised upon sale of the Notes, computed as the difference between the acquisition costs and the sales proceeds reduced by expenses directly and factually related to the sale, qualify as positive or negative savings income in terms of section 20 para 2 sentence 1 no 7 ITA. If similar Notes kept or administered in the same custodial account have been acquired at different points in time, the Notes first acquired will be

deemed to have been sold first for the purposes of determining the capital gains. Where the Notes are acquired and/or sold in a currency other than Euro, the acquisition costs will be converted into Euro at the time of acquisition, the sales proceeds will be converted into Euro at the time of sale and the difference will then be computed in Euro. If interest claims are disposed of separately (*i.e.* without the Notes), the proceeds from the disposition are subject to taxation. The same applies to proceeds from the payment of interest claims if the Notes have been disposed of separately. If the Notes are assigned, redeemed, repaid or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*) rather than sold, as a rule, such transaction is treated like a sale. Losses resulting from the sale or redemption of the Notes are, as a rule, tax deductible, but can only be off-set against other investment income in the meaning of section 20 ITA and not against other categories of income. If and to the extent a set-off is not possible in the calendar year in which the losses have been realized, such losses can be carried forward in order to be offset against investment income generated in future years. However, if the losses result from the full or partial non-recoverability of the repayment claim under the Notes including a default of the Issuer or a (voluntary) waiver, an off-set against other investment income of the same year and, in the case of a loss carry forward, against other investment income of future years, is only possible up to an amount of EUR 10,000 per year (the "**Limitation on Loss Deduction**"). Pursuant to the legislative reasoning, a non-recoverability shall also be assumed if, based on the overall assessment of the facts and circumstances, it becomes apparent that the Issuer will not redeem the Notes in full, e.g. because the solvency risk has already materialised. Given the Limitation on Loss Deduction will not be applied by the German Disbursing Agent (as defined below) holding the Notes in custody, investors suffering losses which are subject to the Limitation on Loss Deduction are required to declare such losses in their income tax return.

If the Issuer exercises the right to substitute the debtor of the Notes, the substitution might, for German tax purposes, be treated as an exchange of the Notes for new notes issued by the new debtor. Such a substitution could result in the recognition of a taxable gain or loss for the respective investors.

## ii. German withholding tax (*Kapitalertragsteuer*)

With regard to savings earnings (*Kapitalerträge*), e.g. interest or capital gains, German withholding tax (*Kapitalertragsteuer*) will be levied if the Notes are kept or administered in a custodial account which the investor maintains with a German branch of a German or non-German credit or financial services institution or with a German securities trading business or a German securities trading bank (a "**German Disbursing Agent**") and such German Disbursing Agent credits or pays out the earnings.

The tax base is, in principle, equal to the taxable gross income as set out in i. above (*i.e.* prior to withholding). However, in the case of capital gains, if the custodial account has changed since the time of acquisition of the Notes (e.g. if the Notes are transferred from a non-EU custodial account) and the acquisition costs of the Notes are not proven to the German Disbursing Agent in the form required by law, withholding tax is applied to 30 per cent. of the proceeds from the redemption or sale of the Notes. In this case, an investor who is an individual tax resident may, and if the actual gain is higher than 30 per cent. of the respective proceeds must, apply for an assessment on the basis of the actual acquisition costs of the Notes. When computing the tax base for withholding tax purposes, the German Disbursing Agent has to deduct any negative savings income (*negative Kapitalerträge*) or paid accrued interest (*Stückzinsen*) in the same calendar year or unused negative savings income of previous calendar years.

German withholding tax will be levied by a German Disbursing Agent at a flat withholding tax rate of 26.375 per cent. (including solidarity surcharge) plus, if applicable, church tax. Church tax, if applicable, will be collected by the German Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*). In the latter case, the investor has to include the savings income in the tax return and will then be assessed to church tax.

No German withholding tax will be levied if the investor has filed a withholding tax exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the savings income does not exceed the exemption amount shown on the withholding tax exemption certificate. The maximum exemption amount equals the saver's lump sum amount (*Sparer-Pauschbetrag*) which amounts to EUR 801 (EUR 1,602 in the case of jointly assessed spouses or registered life partners). Similarly, no withholding tax will be levied if the



relevant investor has submitted a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office to the German Disbursing Agent.

### iii. Tax assessment

The taxation of savings income shall take place mainly by way of levying withholding tax (please see above). If and to the extent German withholding tax has been levied, such withholding tax shall, in principle, become definitive and replace the investor's income taxation. If no withholding tax has been levied other than by virtue of a withholding tax exemption certificate (*Freistellungsauftrag*) and in certain other cases, the investor is nevertheless obliged to file a tax return, and the savings income will then be taxed within the assessment procedure (*Veranlagungsverfahren*). If the investor is subject to church tax and has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*), the investor is also obliged to include the savings income in the tax return for church tax purposes.

However, also in the assessment procedure, savings income is principally taxed at a separate tax rate for savings income (*gesonderter Steuertarif für Einkünfte aus Kapitalvermögen*) being identical to the withholding tax rate (26.375 per cent. - including solidarity surcharge (*Solidaritätszuschlag*) plus, if applicable, church tax). In certain cases, the investor may apply to be assessed on the basis of its personal tax rate, if such rate is lower than the above tax rate. Such application can only be filed consistently for all savings income within the assessment period. In case of jointly assessed spouses or registered life partners, the application can only be filed for savings income of both spouses / life partners.

When computing the savings income, the saver's lump sum amount (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 in the case of jointly assessed spouses or registered life partners) will be deducted. The deduction of the actual income related expenses, if any, is excluded. That holds true even if the investor applies to be assessed on the basis of its personal tax rate.

### b. Taxation if the Notes are held as business assets (*Betriebsvermögen*)

In the case of German tax resident corporations or individual investors (*unbeschränkt Steuerpflichtige*) holding the Notes as business assets (*Betriebsvermögen*), interest payments and capital gains will be subject to corporate income tax at a rate of 15 per cent. or income tax at a rate of up to 45 per cent., as the case may be, (in each case plus 5.5 per cent. solidarity surcharge thereon). In addition, trade tax may be levied, the rate of which depends on the municipality where the investor's business is located. Further, in the case of individuals, church tax may be levied. Business expenses that are connected with the Notes are deductible.

The provisions regarding German withholding tax (*Kapitalertragsteuer*) apply, in principle, as set out in section a. iii. above for private investors. However, investors holding the Notes as business assets cannot file a withholding tax exemption certificate with the German Disbursing Agent. Instead, no withholding tax will be levied on capital gains from the redemption, sale or assignment of the Notes if, for example, (a) the Notes are held by a corporation or (b) the proceeds from the Notes qualify as income of a domestic business and the investor notifies this to the German Disbursing Agent by use of the officially required form.

Any withholding tax levied is credited as prepayment against the German (corporate) income tax amount. If the tax withheld exceeds the respective (corporate) income tax amount, the difference will be refunded within the tax assessment procedure.

## 2. Non-residents

Investors who are not tax resident in Germany should not be subject to tax with regard to income from the Notes unless (i) the Notes are held as business assets (*Betriebsvermögen*) attributed to a German permanent establishment which is maintained by the investor (including the case of a permanent representative appointed by the investor) or (ii) the income from the Notes qualifies for other reasons as taxable German source income. If a non-resident investor is subject to tax with its income from the Notes, in principle, similar rules apply as set out above with regard to German tax resident investors (please see 1. above).

If the income is subject to German tax as set out in the preceding paragraph, German withholding tax will be applied like in the case of a German tax resident investor.

### **3. Inheritance and Gift Tax**

Inheritance or gift taxes with respect to any Note will, in principle, arise under German law if, in the case of inheritance tax, either the decedent or the beneficiary or, in the case of gift tax, either the donor or the donee is a resident of Germany or if such Note is attributable to a German trade or business for which a permanent establishment is maintained or a permanent representative has been appointed.

The few existing double taxation treaties regarding inheritance and gift tax may lead to different results. Special rules apply to certain German citizens that are living in a foreign country and German expatriates.

### **4. Other Taxes**

No stamp, issue, registration or similar taxes or duties are payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

At the level of the European Commission and supported by a number of EU member states including Germany, is the goal to introduce a financial transaction tax ("**FTT**") within the EU. However, it is unclear if and in what form such tax will be actually introduced (please see below).

### **5. Proposed tax law changes on the 2018-2021 agenda of the Grand Coalition**

In the negotiations about the formation of a new government the Grand Coalition (*Große Koalition*) of the Christian Democratic Union (CDU), the Christian Social Union (CSU) and the Social Democratic Party (SPD) reached agreement about a reform agenda, also including a number of tax reform measures, for the current legislative period. According to the coalition agreement dated 7 February 2018, the Grand Coalition, inter alia, intends to abolish the separate tax rate of 26.375 per cent. and the tax collection by way of the withholding tax and the definitive effect of the tax withheld as set out in I. 1. a) ii. and iii. above for interest income (*Zinserträge*), as soon as the automatic information exchange on tax matters (*Automatischer Informationsaustausch in Steuerfragen*) is established. Instead, interest income shall be taxed by way of assessment on the basis of the investor's marginal tax rate of up to 47.475% (plus church tax, if any).

In the coalition agreement the Grand Coalition also restated the aim towards the introduction of a substantial FTT within the EU (*for further details, please refer to section III. below*).

## **II. Amendment of the Solidarity Surcharge Act**

Due to the recent amendment of the solidarity surcharge act, the solidarity surcharge will be levied for wage tax and income tax purposes from 2021 onwards if the individual income tax of the investor exceeds the threshold of EUR 16,956 (EUR 33,912 for jointly assessed investors). Pursuant to the amended law the solidarity surcharge shall remain in place for purposes of the withholding tax, the flat tax regime and the corporate income tax.

## **III. Foreign Account Tax Compliance Act ("FATCA")**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Germany) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Investors should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the

event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, the Issuer will not pay any additional amounts as a result of the withholding.

#### **IV. The Proposed EU Financial Transaction Tax ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**") and Estonia. However, Estonia has since stated that it will not participate in the proposal.

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in financial instruments (including secondary market transactions) in certain circumstances. The Commission's Proposal focused on levying an FTT on financial transactions (as defined in the Commission's Proposal), including the purchase, sale and exchange of financial instruments. Under the Commission's Proposal, the rate of the FTT for securities would not be lower than 0.1%, generally based on the amount of the paid or owed consideration. The issuance and subscription of financial instruments should, however, be exempt.

Since the date of the publication of the Commission's Proposal, the Participating Member States are continuing their negotiations. France and Germany have recently brought forward a new proposal which is modelled on the concept of the financial transaction tax currently imposed in France. Pursuant to such proposal, the FTT would be limited to shares of listed companies whose head office is located in a Member State of the European Union and whose market capitalization exceeds EUR 1 billion on 1 December of the preceding year. The FTT would be levied on the transfer of ownership upon acquisition of shares in listed public limited companies, while initial public offerings, market making and intraday trading should not be taxable. The tax rate should be no less than 0.2% (without providing for any ceiling). Based on the Franco-German proposal, the FTT would not apply to financial transactions in the Notes.

However, the introduction of an FTT remains subject to negotiation between the Participating Member States. It may, therefore, be altered prior to any implementation. Additional EU Member States may decide to participate and/or participating Member States may decide to discard the Commission's Proposal. Therefore, it is currently uncertain whether and when the proposed FTT will be enacted by the participating EU Member States and when it will take effect with regard to dealings in the Notes.

**Prospective investors of the Notes are advised to seek their own professional advice in relation to the FTT.**

## SUBSCRIPTION AND SALE

### Subscription

The Issuer and the Joint Lead Managers have entered into a subscription agreement dated 13 May 2020 (the "**Subscription Agreement**"). Under the Subscription Agreement, the Issuer has agreed to issue and sell to the Joint Lead Managers, and the Joint Lead Managers have agreed, subject to certain customary closing conditions, to subscribe and pay for the Notes on 18 May 2020. The Issuer has agreed to pay certain fees to the Joint Lead Managers and to reimburse the Joint Lead Managers for certain expenses incurred in connection with the issue of the Notes.

The Joint Lead Managers may, under certain circumstances, terminate the Subscription Agreement. In such event, no Notes will be delivered to investors. Furthermore, the Issuer has agreed to indemnify the Joint Lead Managers against certain liabilities it may incur in connection with the offer and sale of the Notes.

From time to time, the Joint Lead Managers and their affiliates have performed, and may in the future perform, investment banking and advisory services for the Issuer for which they have received, or will receive, customary fees and expenses. In particular, the Joint Lead Managers and certain of their affiliates are lenders under the term loan described under the heading "Qualtrics Term Loan" in the section "GENERAL INFORMATION ABOUT THE ISSUER", subsection "Material Contracts" in this Prospectus and under the revolving credit facility described under the heading "Revolving credit facility" in the above-mentioned section of this Prospectus.

### Selling Restrictions

#### *General*

Each Joint Lead Manager has represented, warranted and undertaken to the best of its knowledge and belief that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Prospectus or any related offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Joint Lead Manager shall have any responsibility therefor.

#### *Prohibition of Sales to EEA and UK Retail Investors*

Each Joint Lead Manager has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA or in the UK. For the purposes of this provision the expression *retail investor* means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

#### *United States of America and its Territories (the "United States")*

- (a) With regard to each series, each Joint Lead Manager has acknowledged that the Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Joint Lead Manager has represented, and agreed that that neither it nor any persons acting on its behalf has offered, sold or delivered and will not offer, sell or deliver any Note constituting part of its allotment within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Joint Lead Manager has further represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Note. Terms used in this subparagraph have the meaning given to them by Regulation S.

- (b) The Notes will be issued in accordance with the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(D) (the "**D Rules**") (or, any successor rules in substantially the same form as the D Rules, as applicable, for purposes of section 4701 of the U.S. Internal Revenue Code).
- a. Except to the extent permitted under the D Rules, each Joint Lead Manager has represented that (i) it has not offered, sold or delivered and agrees that during the restricted period it will not offer, sell or deliver such Notes to a person who is within the United States or its possessions or to a United States person, and (ii) it has not delivered and agrees that it will not deliver within the United States or its possessions such Notes that are sold during the restricted period;
  - b. Each Joint Lead Manager has represented that it has and agreed that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling such Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
  - c. If it is a United States person, each Joint Lead Manager has represented that it is acquiring such Notes for purposes of resale in connection with their original issuance and if it retains such Notes for its own account, it will only do so in accordance with the requirements of the D Rules;
  - d. With respect to each affiliate that acquires such Notes from a Joint Lead Manager for the purpose of offering or selling such Notes during the restricted period, such Joint Lead Manager has either: (i) repeated and confirmed the representations and agreements contained in paragraphs a., b. and c. above on such affiliate's behalf; or (ii) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in paragraphs a., b. and c. above; and

Each Joint Lead Manager has represented that it will obtain from any distributor (within the meaning of the D Rules) that purchases any such Notes from it pursuant to a written contract with such Joint Lead Manager (except a distributor that is one of its affiliates or is another Joint Lead Manager), for the benefit of the Issuer and each other Joint Lead Manager, the representations contained in, and such distributor's agreement to comply with, the provisions of paragraphs a., b., c. and d. above insofar as they relate to the D Rules, as if such distributor were a Joint Lead Manager.

#### ***Selling Restrictions Addressing Additional United Kingdom Securities Laws***

Each Joint Lead Manager has represented and agreed, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### ***France***

Each of the Joint Lead Managers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

## *Japan*

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "**FIEA**"). Accordingly, each Joint Lead Manager has represented and agreed, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of Japan.

## GENERAL INFORMATION

### Listing and Admission to Trading

Application has been made to list the Notes on the official list of the Luxembourg Stock Exchange and to admit to trading on the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*).

### Authorization

The creation and issue of the Notes has been authorized by the Chief Financial Officer of the Issuer in accordance with the resolution of the Executive Board of the Issuer dated March 31, 2020 and the subsequent resolution of the Supervisory Board of the Issuer dated April 9, 2020.

### Use of Proceeds

SAP intends to use the net proceeds from the issuance of the Notes (estimated to amount to EUR 1,984,260,000) for general corporate purposes.

### Method to determine the yield

The method to determine the yield is the ICMA method. The ICMA method determines the effective interest rate of the fixed rate Instruments taking into account accrued interest on a daily basis.

The yield of the 2023 Notes is 0.027 per cent. *per annum*.

The yield of the 2026 Notes is 0.230 per cent. *per annum*.

The yield of the 2029 Notes is 0.488 per cent. *per annum*.

### Credit Rating

The Issuer's long term ratings are "A2"<sup>1</sup> with an outlook "stable" by Moody's Deutschland GmbH ("Moody's") and "A"<sup>2</sup> with an outlook "stable" by Standard & Poor's Credit Market Services Europe Limited ("S&P"). Both Moody's and S&P are established in the European Union and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended).<sup>3</sup>

The Notes are expected to be rated "A"<sup>4</sup> by S&P.

A credit rating assesses the creditworthiness of an entity and informs an investor therefore about the probability of the entity being able to redeem invested capital. It is not a recommendation to buy, sell or hold securities and may be subject to revision, withdrawal or suspension at any time by the assigning rating agency.

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<sup>1</sup> Moody's defines the long-term rating "A2" as follows: "Obligations rated A are judged to be upper-medium grade and are subject to low credit risk. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category."

<sup>2</sup> S&P defines the long-term issuer credit rating "A" as follows: "An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories."

<sup>3</sup> A list of credit rating agencies registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies is available for viewing at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>.

<sup>4</sup> S&P defines the long-term issue credit rating "A" as follows: "An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitments on the obligations is still strong."

## **Expenses**

The total expenses related to the admission of trading are expected to amount to approximately EUR 23,000.

## **Clearing**

The Notes have been accepted for clearance through Euroclear Bank (1 Boulevard du Roi Albert II, B - 1210 Brussels) and Clearstream Banking S.A., Luxembourg (42 Avenue JF Kennedy, L-1855 Luxembourg). The Notes have been assigned the following securities codes:

The 2023 Notes have been assigned ISIN XS2176715311, common code 217671531 and WKN A289CX.

The 2026 Notes have been assigned ISIN XS2176715584, common code 217671558 and WKN A289CY.

The 2029 Notes have been assigned ISIN XS2176715667, common code 217671566 and WKN A289CZ.

The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This simply means that the Notes are intended upon issue to be deposited with one of the International Central Securities Depositories (ICSDs) as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

## **Form of the Notes**

The Notes are issued in bearer form on 18 May 2020. The Notes are freely transferable.

## **Litigation and claims**

SAP is subject to a variety of claims and lawsuits that arise from time to time in the ordinary course of our business, including proceedings and claims that relate to companies we have acquired. We will continue to vigorously defend against all claims and lawsuits against us. The provisions recorded for these claims and lawsuits as at 31 December 2019, are neither individually nor in the aggregate material to SAP.

However, the outcome of litigation and claims is intrinsically subject to considerable uncertainty. Management's view of these matters may also change in the future. Actual outcomes of litigation and claims may differ from the assessments made by management in prior periods, which could result in a material impact on our business, financial position, profit, cash flows, or reputation. Most of the lawsuits and claims are of a very individual nature and claims are either not quantified by the claimants or the claim amounts quantified are, based on historical evidence, not expected to be a good proxy for the expenditure that would be required to settle the case concerned. The specifics of the jurisdictions where most of the claims are located further impair the predictability of the outcome of the cases. Therefore, it is not practicable to reliably estimate the financial effect that these lawsuits and claims would have if SAP were to incur expenditure for these cases. Further, the expected timing of any resulting outflows of economic benefits from these lawsuits and claims is typically uncertain and not estimable, as it depends generally on the duration of the legal proceedings and settlement negotiations required to resolve them.

Among the claims and lawsuits are the following classes:

### ***Intellectual Property-Related Litigation and Claims***

Intellectual property-related litigation and claims are cases in which third parties have threatened or initiated litigation claiming that SAP violates one or more intellectual property rights that they possess. Such intellectual property rights may include patents, copyrights, and other similar rights.

Contingent liabilities exist from intellectual property-related litigation and claims for which no provision has been recognized. Generally, it is not practicable to estimate the financial impact of these contingent liabilities due to the uncertainties around the litigation and claims, as outlined above. The total amounts claimed by plaintiffs in those intellectual property-related lawsuits or claims in which a claim has been quantified were not material to us as at 31 December 2019 and 2018.



Individual cases of intellectual property-related litigation and claims include the following:

In June 2018, Teradata Corporation, Teradata US, Inc. and Teradata Operations, Inc. (collectively “Teradata”) filed a civil lawsuit against SAP SE, SAP America, Inc. and SAP Labs, LLC in U.S. federal court in California. Teradata alleges that SAP misappropriated trade secrets of Teradata, infringed Teradata's copyrights, and violated U.S. antitrust laws. Teradata seeks unspecified monetary damages and injunctive relief. In 2019, SAP asserted against Teradata claims for patent infringement. Trial on both Teradata's and SAP's claims is scheduled for late 2021.

#### ***Customer-Related Litigation and Claims***

SAP is currently confronted with claims that relate to customers demanding indemnification for proceedings initiated against them based on their use of SAP software, and occasionally claims that relate to customers being dissatisfied with the products and services that we have delivered to them. The obligations arising from customer-related litigation and claims comprise cases in which we indemnify our customers against liabilities arising from a claim that our products infringe a third party's patent, copyright, trade secret, or other proprietary rights.

SAP forms customer-related provisions which mainly include expected contract losses. At the end of each reporting period, we reassess the potential obligations related to our pending claims and litigation and adjust our respective provisions to reflect the current best estimate. The expected timing or amounts of any outflows of economic benefits from these lawsuits and claims is uncertain and not estimable, as they generally depend on the duration of the legal proceedings and settlement negotiations required to resolve the litigation and claims and the unpredictability of the outcomes of legal disputes in several jurisdictions.

Contingent liabilities exist from customer-related litigation and claims for which no provision has been recognized. It is not practicable to estimate the financial impact of these contingent liabilities due to the uncertainties around these lawsuits and claims outlined above.

#### ***Tax-Related Litigation and Claims***

We are subject to ongoing audits by domestic and foreign tax authorities.

In respect of non-income taxes, we are involved in various proceedings with only a few foreign tax authorities regarding assessments and litigation matters on intercompany royalty payments and intercompany services. The total potential amount in dispute related to these matters for all applicable years is approximately EUR 189 million (2018: EUR 95 million). We have not recorded a provision for these matters, as we believe that we will prevail. Currently, we are in dispute mainly with the German and only a few foreign tax authorities. The German dispute is in respect of intercompany financing matters and certain secured capital investments, while the few foreign disputes are in respect of intercompany financing matters and the deductibility of intercompany royalty payments and intercompany services. In all cases, we expect that a favorable outcome can only be achieved through litigation. For all of these matters, we have not recorded a provision as we believe that the tax authorities' claims have no merit and that no adjustment is warranted. If, contrary to our view, the tax authorities were to prevail in their arguments before the court, we would expect to have an additional expense of approximately EUR 2,013 million (2018: EUR 1,746 million) in total (including related interest expenses and penalties of EUR 982 million (2018: EUR 842 million)).

#### ***Legal Contingencies***

SAP has received communications and whistleblower information alleging conduct that may violate anti-bribery laws in the United States (including the U.S. Foreign Corrupt Practices Act (FCPA)), and other countries. The Office of Ethics and Compliance (OEC), formerly the Legal Compliance and Integrity Office, of SAP is conducting investigations with the assistance of an external law firm and voluntarily advised the U.S. Securities and Exchange Commission (U.S. SEC) and the U.S. Department of Justice (U.S. DOJ), as well as local authorities where potential violations are being investigated. The investigations and dialogue between SAP and the local authorities and the U.S. SEC and U.S. DOJ are ongoing.

The alleged conduct may result in monetary penalties or other sanctions under the FCPA and/or other anti-bribery laws. In addition, SAP's ability to conduct business in certain jurisdictions could be negatively impacted. The comprehensive and exhaustive investigations and the corresponding remediation activities are still ongoing. Considering the complexity of individual factors and the large number of open questions, it is impossible at this point in time to assess the risk of a financial impact.

Furthermore, we continue to investigate separate allegations regarding conduct that certain SAP partners violated SAP contractual terms and sold SAP products and services in embargoed countries. These SAP partners presumably did not

adhere to SAP's strict procedures for indirect business activities. To the extent any company independent from SAP chooses not to follow SAP's licensing procedures, SAP is ultimately limited in its ability to stop their activities. SAP devotes considerable resources to prevent and mitigate such activities should they occur. We are also investigating allegations regarding direct sales from SAP to certain customers, who may have engaged in unauthorized activities in embargoed countries. The investigations are being conducted by SAP's OEC and SAP's Export Control team, with the assistance of an external law firm and forensic advisors.

In this context, SAP voluntarily self-disclosed potential export controls and economic sanctions violations to the U.S. DOJ and the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC) in September 2017. At the same time, SAP provided notification to the U.S. SEC and responded to an SEC comment letter on export restriction matters in October 2017. SAP has also provided disclosure to the U.S. Department of Commerce's Bureau of Industry and Security (BIS) based on the same alleged facts. Finally, pursuant to Section 219 of the U.S. Iran Threat Reduction and Syria Human Rights Act of 2012 and Section 13(r) of the U.S. Securities Exchange Act of 1934, SAP has filed the required Iran Notice with the U.S. SEC. The alleged conduct may result in monetary penalties or other sanctions under U.S. sanctions and export control laws.

The comprehensive and exhaustive investigations and the corresponding remediation activities are ongoing, and considering the complexity of individual factors and the large number of open questions, it is impossible at this point in time to assess the risks.

For the reasons outlined above, it is impossible at this point in time to determine whether the potential anti-bribery law violations and the potential export restriction violations represent present obligations of SAP and, if so, to reliably estimate the amount of these obligations. As a consequence, no provisions have been recognized for these potential violations in our consolidated financial statements 2019. It is also not practicable to estimate the financial effect of any contingent liabilities that may result from these potential violations.

#### **Significant Change in the financial position**

There has been no significant change in the financial position of SAP Group since 31 March 2020.

#### **Trend Information**

Other than the current COVID-19 pandemic and its impact on the global economy which, as described in the subsection "Recent Developments" of the section "GENERAL INFORMATION ABOUT THE ISSUER", may affect SAP's ability to meet its financial targets, there has been no material adverse change in the prospects of SAP SE since 31 December 2019 and no significant change in the financial performance of the SAP Group since 31 March 2020.

#### **Documents on Display**

For so long as any Note is outstanding, copies and, where appropriate, English translations of the following documents may be obtained from the Paying Agent(s) free of charge and, for as long as required by the Prospectus Regulation or other applicable law, can be found on the website of the Luxembourg Stock Exchange (*www.bourse.lu*), namely:

- (a) this Prospectus and any supplement thereto, if any; and
- (b) any document incorporated by reference into this Prospectus.

The articles of association may be inspected (free of charge) on the website of the Issuer (*www.sap.com*).

## INCORPORATION BY REFERENCE

The following information shall be deemed to be incorporated by reference in, and to form part of, this Prospectus to the extent set forth in the table below.

- (1) The audited consolidated financial statements of the SAP Group for the fiscal year ended on 31 December 2019 included in the English language Annual Report 2019 and consisting of
- Consolidated Income Statements (page 133 in the Annual Report 2019),
  - Consolidated Statements of Comprehensive Income (page 134 in the Annual Report 2019),
  - Consolidated Statements of Financial Position (page 135 in the Annual Report 2019),
  - Consolidated Statements of Changes in Equity (page 136 in the Annual Report 2019),
  - Consolidated Statements of Cash Flows (page 137 in the Annual Report 2019),
  - Notes to the Consolidated Financial Statements (pages 138 to 210 in the Annual Report 2019),
  - Auditor's report (pages 45 to 50 in the Annual Report 2019).

The Annual Report 2019 can be found on the following website:

<http://dl.bourse.lu/dlp/106682497a7e934806807a05ed30a30b4f>

- (2) The audited consolidated financial statements of the SAP Group for the fiscal year ended on 31 December 2018 included in the English language Annual Report 2018 and consisting of
- Consolidated Income Statements (page 131 in the Annual Report 2018),
  - Consolidated Statements of Comprehensive Income (page 132 in the Annual Report 2018),
  - Consolidated Statements of Financial Position (page 133 in the Annual Report 2018),
  - Consolidated Statements of Changes in Equity (page 134 in the Annual Report 2018),
  - Consolidated Statements of Cash Flows (page 135 in the Annual Report 2018),
  - Notes to the Consolidated Financial Statements (pages 136 to 207 in the Annual Report 2018),
  - Auditor's report (pages 44 to 49 in the Annual Report 2018).

The Annual Report 2018 can be found on the following website:

<http://dl.bourse.lu/dlp/1086beb44cca29433d8085a78fe8464ec7>

- (3) The unaudited consolidated interim financial statements of the SAP Group for the financial quarter ended on 31 March 2020 included in the English language Quarterly Statement Q1 2020 and consisting of:
- Consolidated Income Statements (page 12 in the Quarterly Statement Q1 2020),
  - Consolidated Statements of Financial Position (page 13 in the Quarterly Statement Q1 2020),
  - Consolidated Statements of Cash Flows (page 14 in the Quarterly Statement Q1 2020).

The Quarterly Statement Q1 2020 can be found on the following website:

<http://dl.bourse.lu/dlp/10169777aa6eaf426ca9c15dacfaa490c3>

Any information not incorporated by reference into this Prospectus but contained in one of the documents mentioned as source documents in the cross reference list above is either not relevant for the investor or covered in another part of this Prospectus.

The source documents from which the information mentioned above has been incorporated by reference into this Prospectus will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and may be inspected and are available free of charge at the specified office of the Paying Agent(s) as long as any Notes are listed on the regulated market of the Luxembourg Stock Exchange and the rules of such stock exchange so require.

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