

# Corporate Governance Statement Pursuant to Sections 315d and 289f of the German Commercial Code, Including Corporate Governance Report

SAP is a global company with an international shareholder base, so we need sound governance. Good corporate governance means managing the Company accountably and transparently to secure long-term value. We believe that our shareholders, business partners, employees, and the financial markets reward good corporate governance with the increased trust they place in our Company. This Statement, which also includes the Corporate Governance Report, presents the basic facts of corporate governance at the SAP Group in accordance with the German Commercial Code, Section 315d in connection with Section 289f, and the German Corporate Governance Code (GCGC, or "Code").

## Corporate Governance Principles at SAP

SAP is an international firm with European roots, having the legal form of a European company (Societas Europaea, or SE). Being an SE headquartered in Germany, we are subject to European and German law for SEs in addition to German stock corporation law. SAP SE maintains a two-tier governance structure comprised of an Executive Board which manages the Company, and a Supervisory Board which advises and monitors the Executive Board. In addition, the principle of parity for workforce representatives applies to the Supervisory Board. Because SAP SE is listed on a German stock exchange, our corporate governance is based on the German Corporate Governance Code.

Since SAP is also listed in the United States, we comply with the rules that apply to non-U.S. companies listed on the New York Stock Exchange (NYSE). These include the requirements, as they apply to foreign private issuers, of the NYSE Corporate Governance Standards, the U.S. Sarbanes-Oxley Act of 2002, and the U.S. Securities and Exchange Commission (SEC).

## Declaration Pursuant to the German Stock Corporation Act, Section 161

It is a requirement of the German Stock Corporation Act, Section 161, that the executive board and supervisory board of a European Company (Societas Europaea, SE) listed in Germany issue not less frequently than annually a declaration stating the extent to which their company has followed and intends in the future to follow the recommendations in the Code. The Executive Board and Supervisory Board of SAP SE published the following declaration of compliance in October 2019.

## Declaration by the Executive Board and the Supervisory Board of SAP SE pursuant to Section 161 of the German Stock Corporation Act (*Aktiengesetz*) on compliance with the German Corporate Governance Code (the "Code")

Pursuant to Section 161 of the German Stock Corporation Act, the Executive Board and the Supervisory Board of SAP SE (SAP) declare as follows:

### No deviations from the recommendations of the Code

Since the last declaration of conformity of October 2018, SAP has complied with all recommendations set out in the German Corporate Governance Code as amended on 7 February 2017 (published in the Federal Gazette (*Bundesanzeiger*) on 24 April 2017) and will continue to comply with them in future.

Walldorf, October 2019

For the Executive Board  
Jennifer Morgan

For the Executive Board  
Christian Klein

For the Executive Board  
Luka Mucic

For the Supervisory Board  
Prof. Dr. h. c. Hasso Plattner

## Relevant Details of Practices in Corporate Governance That We Apply Beyond the Requirements of the Law

### Code, SAP Code of Business Conduct

The top priority of the Executive Board and the Supervisory Board in the governance of the Company is to comply with the requirements of the law. That applies in the first instance to the way in which the Company is managed. All Executive Board and Supervisory Board decision and control processes are based on the principles embodied in the Code, which reiterates all the requirements for corporate governance. The same applies to management activity at all other levels in our Group. The Executive Board introduced the SAP Code of Business Conduct (CoBC) to bring home to our employees the importance of meeting this expectation. The rules set by SAP in the CoBC are binding on the Executive Board and all employees in

every country and is the standard for all of our dealings involving customers, partners, competitors, and vendors. Its rules are observed by members of the Supervisory Board wherever applicable.

The binding rules in the SAP CoBC are designed to ensure that all employees stay within the law and act ethically in everything they do for SAP. The rules include, for example, precise instructions on complying with competition law and corruption law, on confidentiality, on conflicts of interest, and on the misuse of inside information. International differences in culture, language, and legal and social systems precluded the adoption of a uniform code of conduct across the entire SAP Group. Instead, SAP framed Group-wide minimum standards in a master code and required each individual company to adopt a similar code of its own. These individual codes of conduct must at least reflect the master SAP code, but they may contain additional rules, and their rules may be more stringent.

The code of conduct for SAP SE, the parent company, is on the SAP Web site at <https://www.sap.com/corporate-en/investors/governance>. SAP's global compliance department monitors compliance with the CoBC and other internal Company policies at all SAP locations worldwide. It regularly reviews these internal policies, revises them if necessary, and delivers related employee training.

## U.S. Rules for Corporate Governance

SAP is a NYSE-listed company and we are therefore subject to certain U.S. laws (including the Sarbanes-Oxley Act of 2002, among others) and the applicable SEC and NYSE regulations. Besides implementing the requirements of the Sarbanes-Oxley Act, Section 404, and other Sarbanes-Oxley Act requirements, including conducting an annual audit of our internal control over financial reporting, we comply with the corporate governance standards of the NYSE Listed Company Manual, Section 303A, which bind foreign private issuers. The Section 303A standards that apply to SAP include the requirement to have an audit committee composed of members who are independent in the meaning of the Sarbanes-Oxley Act, and related reporting requirements. Gunnar Wiedenfels, the chairperson of the Audit Committee, is an audit committee financial expert in the meaning of the Sarbanes-Oxley Act.

## How the Executive Board and the Supervisory Board Work; Who Serves on Which Committees; How the Committees Work

The Executive Board and the Supervisory Board cooperate closely for the benefit of the Company. The Executive Board regularly provides to the Supervisory Board full and timely reports on strategy, business planning, profitability and performance, deviations of actual business performance from plan, current risks, risk management, and corporate compliance. The Supervisory Board reports annually on the work it has done, the work its committees have done, and the work it has done in cooperation with the Executive Board in the preceding year. The Supervisory Board's report is included in the SAP Integrated Report.

## The Executive Board of SAP SE

The Executive Board currently has eight members and bears sole responsibility for the management of the Company. It has a duty to exercise its management powers in the interest of the Company and in pursuit of the sustained growth of corporate value. It is responsible for developing SAP's strategy in close consultation with the Supervisory Board, and for implementing it. In addition, the Executive Board ensures compliance with the requirements of the law throughout the Group and maintains effective risk management structures and internal risk controls as well as an appropriate compliance management system geared to the Company's risk situation.

## Composition

The members of the Executive Board are appointed and removed by the Supervisory Board. SAP SE's articles of incorporation require that the Executive Board have at least two members. The Supervisory Board may determine a higher number of members of the Executive Board and approves the Executive Board's election of the chief executive officer(s) (CEO(s)).

When appointing Executive Board members, the Supervisory Board strives for the best possible composition for the Company that is diverse in nature and mutually complementary. The Supervisory Board also makes long-term succession planning decisions based on the potential candidates' experience, industry knowledge, professional and personal skills. In connection with the long-term succession planning, the Supervisory Board regularly deals with highly qualified executives which appear as potential candidates for Executive Board positions. Together with the Executive Board, the Supervisory Board developed a comprehensive talent program to promote particularly qualified executives and screen candidates for the long-term succession planning.

The Supervisory Board also places great value on diversity in the composition of the Executive Board, particularly with regard to gender, educational and professional background, nationality, and age. In support of this, the Supervisory Board adopted a Diversity Policy for the Executive Board that is described in more detail in the [Diversity Policy](#) section of this document. Among other things, this policy sets a regular age limit of 65 years for the Executive Board. The Supervisory Board also strives to appoint an appropriate number of women on the Executive Board. For more information, see the section [Targets for Numbers of Women on the Executive Board](#) in this document.

Detailed information about the current composition of the Executive Board of SAP SE is available on SAP's Web site and in our Integrated Report 2019.

## How the Executive Board Works

Without prejudice to the overall responsibility of the Executive Board, the individual members have sole responsibility for managing the respective portfolios assigned to them. The individual Executive Board members have portfolios of responsibilities reflecting the rules of procedure and the schedule of portfolios unanimously adopted by the Executive Board in accordance with the articles of incorporation and which are subject to Supervisory Board approval.

Pursuant to the Executive Board's rules of procedure, the Co-CEOs represent the Company vis-à-vis third parties, reconcile issues relating to the Executive Board members' portfolios with the Company's overall goals and plans, and set dates and agendas for Executive Board meetings.

Regardless of their individual portfolio responsibilities, all members of the Executive Board remain fully informed at all times about developments critical to the progress of the Company's business, so that they are always in a position to avert impending harm and implement desirable improvements or expedient changes, for example by convening a meeting of the Executive Board or by informing the Co-CEOs.

All decisions of material or fundamental significance are to be made by the full Executive Board. The same applies to all other matters for which the full Executive Board is collectively responsible pursuant to binding provisions of the law, our articles of incorporation, or the Executive Board's rules of procedure. The Executive Board's rules of procedure list categories of decisions that can only be taken by the full Executive Board. These include in particular those transactions requiring the Supervisory Board's approval under the Company's articles of incorporation or under the list of transactions requiring consent determined by the Supervisory Board.

Executive Board decisions are generally made at the regular meetings. The Executive Board's rules of procedure provide that a meeting must take place at least once every quarter at which members attend in person and

which should deliberate chiefly on matters of strategy. An Executive Board meeting is competent to make decisions only if all members have been invited and at least half of the members participate in the resolution.

The Co-CEOs represent the Executive Board in dealings with the Supervisory Board. They must obtain the Supervisory Board's consent in cases where the law, the articles of incorporation, or a resolution of the Supervisory Board so require, and keep the Supervisory Board informed about the situation of the Company and the course of business pursuant to the reporting obligations laid down in the rules of procedure for the Supervisory Board of SAP SE. The Executive Board's rules of procedure and schedule of portfolios describe Executive Board collaboration in more detail.

Each member must disclose every conflict of interest to the Supervisory Board without delay and must inform the other members that he or she has done so. No member of the Executive Board may hold more than two supervisory board seats in non-Group listed companies or comparable functions, and no member may serve as chairperson on the supervisory board of a non-Group listed company. Executive Board members may only engage in secondary employment, particularly outside supervisory board mandates, with the consent of the General and Compensation Committee of the Supervisory Board of SAP SE. Furthermore, material transactions between the Company and members of the Executive Board or persons closely associated with them require the approval of the General and Compensation Committee of the Supervisory Board.

The Executive Board does not have any committees.

## The Supervisory Board of SAP SE

### Composition

The size and composition of the Supervisory Board are governed by the articles of incorporation and by the SAP SE Employee Involvement Agreement. The Supervisory Board of SAP SE currently has 18 members comprising equal numbers of representatives of the shareholders and the employees.

The Supervisory Board has defined the following objectives for its own composition based on the recommendations in the Code:

- There should never be fewer than three persons of non-German origin on the shareholder representatives' side of the Supervisory Board.
- No employee, consultant, or director of a significant SAP competitor should be a Supervisory Board member.
- At least five shareholder representatives on the Supervisory Board, and at least 10 members of the entire Supervisory Board, should be independent members in the meaning of the Code. The Supervisory Board considers these numbers as appropriate.
- No member of the Supervisory Board should be older than 75 years.
- Length of service on the Supervisory Board is generally limited to a period of 12 years.

In addition, the Supervisory Board adopted a Diversity Policy that aims for diversity in the composition of the Supervisory Board with regard to gender, educational and professional background, nationality, and age. For more information, see the [Diversity Policy](#) section of this document.

The Supervisory Board of SAP SE is also subject to a statutory minimum quota of 30% for female and male representatives; in other words, the proportion of women/men must be at least 30% each. For more information, see the section [Information Regarding Compliance with Minimum Quota of Men and Women on the Supervisory Board](#) in this document.

In addition to these objectives, the Supervisory Board adopted a Profile of Skills and Expertise (*Kompetenzprofil*), which is available on the SAP Web site at <https://www.sap.com/corporate-en/investors/governance>. This profile comprises the general personal requirements applicable to each Supervisory Board member as well as the Company-specific and

professional requirements to be fulfilled by the Supervisory Board as a whole in order to properly perform its duties in our capital-markets oriented, globally active IT company. This means that the Company-specific and professional requirements stated in the Profile of Skills and Expertise do not have to be met by each member of the Supervisory Board individually, but that it is sufficient if the knowledge, skills, and professional experience contributed by each of the Supervisory Board members combine to cover the totality of the Company-specific and professional requirements stated in the Profile of Skills and Expertise.

These requirements include, among others, experience and expertise in research and development in the software and IT sector, knowledge of structured innovation processes, substantial experience in the software and IT sector in both development and sales, knowledge of international markets, customers, and competitors, and product expertise. The Supervisory Board as a whole should also have experience and expertise in accounting and auditing, business planning, corporate finance and capital markets, business processes and business process optimization, business strategy development and implementation, change management and M&A processes, personnel planning and management, management of large organizations, Company-internal organization and processes, corporate governance, and crisis management. In addition, at least one member of the Audit Committee must, and its chairperson should, have thorough knowledge of, and experience in applying, accounting principles and internal control processes.

The Supervisory Board of SAP SE believes that, as a whole, it fulfills all of these objectives and the requirements contained in the Profile of Skills and Expertise.

The Supervisory Board members as a group possess the knowledge, ability, and expert experience required to properly perform their duties. Not only are they familiar in their entirety with the IT sector, they also have extensive knowledge in various professional areas and many years of international experience, and thus bring a broad range of skills and experience to their Supervisory Board roles.

In addition, at least one member of the Audit Committee, its chairperson Gunnar Wiedenfels, has proven expertise and experience in financial reporting, auditing, and internal controlling.

The Supervisory Board members Pekka Ala-Pietilä, Aicha Evans, Diane Greene, and Bernard Liautaud do not originate from Germany. As such, the Supervisory Board has met its own target of having least three non-German members on the shareholder representatives' side.

Pursuant to the objectives the Supervisory Board set for its own composition, no Supervisory Board member is an employee, consultant, or director of an SAP competitor.

At its meeting on October 24, 2019, the Supervisory Board determined that all of its shareholder representative members (that is, Hasso Plattner, Pekka Ala-Pietilä, Aicha Evans, Diane Greene, Gesche Joost, Bernard Liautaud, Gerhard Oswald, Friederike Rotsch, and Gunnar Wiedenfels) were independent in the meaning of the Code, based on the assumption that the duration of membership in the Supervisory Board does not per se exclude the relevant member from being considered as independent.

Furthermore, the Supervisory Board determined that, including the employee representatives and taking into account the shareholder structure of SAP SE, it has an appropriate number of independent members in the meaning of the Code. This was based on the assumption that the employee representatives' capacity as employees does not per se raise any concerns as to their independence in the meaning of the Code. No member of the Supervisory Board has any personal or business dealings with SAP SE or its Executive Board that give rise to any substantial and not merely temporary conflict of interest.

The Audit Committee is chaired by Gunnar Wiedenfels, who is the chief financial officer of a company that is listed on a U.S. stock exchange, and

prior to that, the chief financial officer of a listed DAX company, and therefore qualifies as an independent financial expert in the meaning of the Code and the German Stock Corporation Act, Section 100 (5).

The regular age limit of 75 years set by the Supervisory Board has been applied in the composition of the Supervisory Board except in the case of the Supervisory Board's chairman.

The maximum service length of 12 years on the Supervisory Board has also been applied, except in the case of two shareholder representatives.

When preparing its proposals to the General Meeting of Shareholders for the election to the Supervisory Board, the Supervisory Board takes into account the objectives it has set for its own composition and aims at fulfilling the Profile of Skills and Expertise.

## How the Supervisory Board Works

The Supervisory Board of SAP SE appoints, advises, and monitors the Executive Board. It is entitled to inspect and examine all of the Company's books, writings, and assets at any time. The Executive Board involves the Supervisory Board in decisions on matters of fundamental importance for the Company. The Supervisory Board has reserved to itself the approval of certain transactions of fundamental importance, as set out in the articles of incorporation and detailed in the Supervisory Board's list of reserved categories of transactions.

The work of the Supervisory Board is governed by German and European as well as U.S. laws, the articles of incorporation of SAP SE, the Code, and the Supervisory Board's own rules of procedure. There are at least four ordinary meetings of the Supervisory Board each year, held at the Company's registered office or as otherwise determined in the invitation. Ordinary meetings deliberate on the forthcoming financial reports and other matters arising in connection with the business. Extraordinary meetings are convened when necessary to deliberate on unplanned or unexpected circumstances or transactions and to make decisions as appropriate. Members of the Executive Board take part in the Supervisory Board meetings when requested by the Supervisory Board or its chairperson. However, the Supervisory Board also meets regularly without the members of the Executive Board.

Ordinary resolutions of the Supervisory Board are adopted by a simple majority of votes cast; absent members can have a member in attendance submit their written votes. For more information about how the Supervisory Board works, see the rules of procedure for the Supervisory Board of SAP SE.

Regularly every two to three years, the Supervisory Board conducts an investigation of the efficiency of its own work and that of its committees. It assesses the suitability of the Supervisory Board's processes for supervising the management of the Company effectively. The investigation is based on a survey of Supervisory Board members using electronic questionnaires that reflect current requirements of the law and the Code and contain questions addressing all aspects of the Supervisory Board's work. The Supervisory Board then discusses the results in a meeting and decides any necessary improvements. The efficiency audit was last conducted in October 2018.

The Supervisory Board also determines once a year whether it has an appropriate number of independent members.

## Committees of the Supervisory Board

The Supervisory Board's rules of procedure provide for Supervisory Board committees. They must have not fewer than three members. The committees help the Supervisory Board work more efficiently and deal with complex issues. The committee's chairperson regularly reports to the full Supervisory Board on the committee's work. All committee members are chosen with expertise in the relevant fields in mind.

Generally, committee meetings are convened by the committee's chairperson. The Supervisory Board rules of procedure provide that committees adopt resolutions by a simple majority of votes cast. A

committee can adopt a resolution only if two thirds of the members of the committee, and in any case not less than three of its members, participate in its adoption. The Supervisory Board rules of procedure relating to the conduct of meetings and the adoption of resolutions apply to the committees accordingly. The committees have their own rules of procedure, which detail fields of responsibility and how committees report to the full Supervisory Board.

The Supervisory Board of SAP SE has the following committees:

### a) General and Compensation Committee

The General and Compensation Committee has 10 members. It coordinates the work of the Supervisory Board and prepares the Supervisory Board meetings, and it deliberates on corporate governance matters. The Committee's duties also include preparatory work on the personnel decisions that in German law are the responsibility of the full Supervisory Board. In particular, the Committee makes recommendations concerning appointments and dismissals of Executive Board members, the conclusion, amendment, and termination of Executive Board members' employment contracts, and all aspects of their compensation. It assists the Supervisory Board in regularly verifying the compensation system passed by the Supervisory Board. If the Supervisory Board decides to engage an external compensation expert to evaluate the appropriateness of Executive Board members' compensation, the Committee consults with the external expert when preparing the related resolutions for the full Supervisory Board. Its chairperson is Hasso Plattner. The other members are Pekka Ala-Pietilä, Panagiotis Bissiritsas, Aicha Evans, Margret Klein-Magar, Lars Lamadé, Bernard Liautaud, Christine Regitz, Friederike Rotsch, and Ralf Zeiger. The Committee generally meets several times a year, as and when required.

### b) Audit Committee

The Audit Committee has six members. Its role is to oversee SAP's external financial reporting as well as SAP's risk management, internal controls (including internal controls over the effectiveness of the financial reporting process), group security (including cybersecurity), corporate audit, and compliance matters. In connection with overseeing the external financial reporting, the Audit Committee discusses SAP's quarterly and year-end financial reports prepared under German and U.S. regulations, including this integrated report. The Audit Committee proposes the external independent auditor to the Supervisory Board, aligns the focus audit areas with the auditor, discusses critical accounting policies and estimates with the auditor, and reviews the audit reports issued and audit issues identified by the auditor. The Audit Committee also negotiates the audit fees with the auditor and monitors the auditor's independence and quality. SAP's departments Corporate Audit, Office of Ethics & Compliance (OEC), Global Security, and Governance, Risk and Compliance (GRC) report upon request or at the occurrence of certain findings, but in any case at least quarterly (OEC and GRC), twice a year (Corporate Audit), or once a year (Global Security), respectively, directly to the Audit Committee. The Audit Committee has established procedures for the prior approval of all audit and non-audit services provided by the external independent auditor. It also does preparatory work for the full Supervisory Board's deliberations and resolutions on the adoption of the annual financial statements, the approval of the consolidated annual financial statements and the combined group management report and management report of SAP SE, and on the dividend proposal. Furthermore, the Audit Committee and the Finance and Investment Committee jointly prepare the full Supervisory Board's resolution to approve the group annual plan. The Audit Committee's chairperson is Gunnar Wiedenfels. The other members are Panagiotis Bissiritsas, Margret Klein-Magar, Gerhard Oswald, Friederike Rotsch, and James Wright. The Committee meets at least twice a quarter, in physical meetings or telephone conferences.

#### c) Finance and Investment Committee

The Finance and Investment Committee is responsible for financial matters, acquisitions, and strategic and venture capital investments, as well as – together with the Audit Committee – for the preparation of the full Supervisory Board's resolution to approve the group annual plan. The Committee's chairperson is Friederike Rotsch. The other members are Panagiotis Bissiritsas, Gerhard Oswald, Christine Regitz, Gunnar Wiedenfels, and James Wright. Normally, several meetings are called each year, depending on when investment decisions are needed and what information the Supervisory Board requires. The Executive Board reports to this Committee's meetings on the progress of investments it has made. It also provides detailed information about any investment projects that require Supervisory Board consent under the Company's articles of incorporation or the list of transactions requiring such consent.

#### d) Technology and Strategy Committee

The Technology and Strategy Committee regularly reviews SAP's company and product strategy with regard to the development and deployment of technologies and software. It advises the Executive Board on technological and strategic decisions and on planned investments in research and development. It also monitors strategy execution. This Committee monitors all key trends on the market that are relevant to SAP's software and services and assesses which technologies will be needed to maintain and improve SAP's leading position. The Committee has 12 members. The Committee's chairperson is Hasso Plattner, and his deputy is Christine Regitz. The other members are Aicha Evans, Monika Kovachka-Dimitrova, Diane Greene, Gesche Joost, Lars Lamade, Bernard Liautaud, Gerhard Oswald, Heike Steck, Christa Vergien-Knopf, and James Wright. The Committee generally meets several times a year, as and when required.

#### e) People and Organization Committee

This Committee advises the Executive and Supervisory Boards on key personnel matters and major organizational changes at the management level below the Executive Board. It also advises on equal opportunities for women at SAP. The Committee has eight members. They are Gerhard Oswald (chairperson), Pekka Ala-Pietilä, Aicha Evans, Gesche Joost, Monika Kovachka-Dimitrova, Heike Steck, Christa Vergien-Knopf, and Ralf Zeiger. The Committee generally meets several times a year, as and when required.

#### f) Nomination Committee

In accordance with the recommendation in the Code, SAP SE has established a Nomination Committee with four members, which monitors the German and international markets for senior executive personnel. Applying the requirements of the law as well as the objectives regarding the composition of the Supervisory Board, while simultaneously aiming at fulfilling the Profile of Skills and Expertise of the Supervisory Board, the Nomination Committee recommends suitable persons to the Supervisory Board for nomination as candidates for Supervisory Board membership at the General Meeting of Shareholders. The membership of the Committee is drawn entirely from among the shareholder-elected Supervisory Board members, as the Code recommends. Its members are Hasso Plattner (chairperson), Pekka Ala-Pietilä, Diane Greene, and Bernard Liautaud. This Committee generally meets when the membership of the Supervisory Board is due to change.

## Members of the Supervisory Board and Its Committees

The information about the occupations of the members of the committees of the Supervisory Board and about their memberships on other supervisory boards and comparable governing bodies is contained in the list of the members of our Supervisory Board, which is available on SAP's Web site as well as in our Integrated Report 2019.

## Targets for Numbers of Women on the Executive Board and at the Two Management Levels Below the Executive Board

Both the Supervisory Board and Executive Board have regard to diversity when appointing people to leadership positions, and in particular, aim to employ appropriate numbers of women in such positions.

The target for the quota of women on the Executive Board by June 30, 2022, has been set to two women. This target was met as at December 31, 2019. With Jennifer Morgan and Adaire Fox-Martin, SAP has two women on the Executive Board, and with Jennifer Morgan, it is even the first DAX company to have a female CEO.

The targets for the quota of women at the two management levels below the Executive Board by June 30, 2022, have been set to 25% at the first management level and 20% at the second management level.

In addition to the above, SAP voluntarily set itself a target of increasing the overall percentage of management positions held globally by women to 28% by the end of 2020. On December 31, 2019, it stood at 26.4%.

## Information Regarding Compliance with Minimum Quota of Men and Women on the Supervisory Board

The Supervisory Board of SAP SE is subject to a statutory minimum quota of 30% for female and male representatives. From the beginning of 2019 until the termination of the General Shareholders' Meeting on May 15, 2019, the 18-member Supervisory Board comprised six women, and from the termination of the General Shareholders' Meeting on May 15, 2019, until December 31, 2019, nine women. Thus, the percentage of women on the Supervisory Board met the minimum quota of 30% during the entire financial year 2019, and even exceeded it significantly in the period from the end of the General Shareholders' Meeting 2019 until the end of financial year 2019.

## Diversity Policy

The Supervisory Board of SAP SE adopted a Diversity Policy (*Diversitätskonzept*) in relation to the composition of the Executive Board and the Supervisory Board in accordance with the requirements of Section 289f, paragraph 2, number 6 of the German Commercial Code.

The aim of the Diversity Policy for the Executive Board and the Supervisory Board is to ensure that the members of each Board complement each other in relation to the aspects of gender, educational and professional background, internationality, and age. This serves to ensure the following aims:

- Both Boards should meet the requirements of an internationally operating IT company in terms of product and industry expertise, and management or control experience, respectively.
- The Executive Board and the Supervisory Board should be sufficiently diverse so as to enable a constructive and innovative cooperation for the benefit of SAP.

## Diversity Policy for the Executive Board

The Diversity Policy for the Executive Board provides that, in relation to the composition of the Executive Board, the aspects of gender, educational and professional background, internationality, and age be taken into account in the following manner:

- To ensure that women are represented appropriately, the Supervisory Board considers it sufficient to apply the current target for the number of women on the Executive Board pursuant to Section 111, paragraph 5 of the German Stock Corporation Act, of two women by the end of June 2022.

- With regard to the educational and professional background, Executive Board members should be selected based on the competencies generally required on the SAP Executive Board, and those required specifically for the Board area in question, in relation to general management and corporate governance, strategy development and implementation, research and development in IT and software products, finance and accounting, sales, and HR. Such competencies do not have to be acquired by university studies or any other professional formation but may also have been acquired by a different route, either within or outside SAP. In this context, the provisions of the SAP SE Employee Involvement Agreement also have to be complied with, which provide that one member of the Executive Board is responsible for labor and social affairs.
- To ensure an international composition of the Executive Board, it should comprise an appropriate number of members who do not originate from Germany, and who represent regions or cultural areas in which SAP does substantial business or operates locations. An appropriate number is one that reflects the size and composition of the Executive Board and must be adjusted accordingly as requirements change.
- In general, the Executive Board should have a mixed age structure, with a regular age limit of 65 years applying across the entire Executive Board. In addition to that, no concrete targets relating to the age of individual or all members of the Executive Board were determined, as this would unduly limit the Supervisory Board's discretion to select suitable Executive Board members.

The Diversity Policy for the Executive Board will be implemented by the Supervisory Board's and the General and Compensation Committee's appropriately taking into account the aspects set forth in the Diversity Policy when recruiting and selecting suitable candidates for membership in the Executive Board.

In financial year 2019, the Diversity Policy was applied in connection with the appointment of Thomas Saueressig to the Executive Board with effect from November 1, 2019, which contributed towards the aim of achieving a mixed age structure of the Executive Board members. Furthermore, Thomas Saueressig qualified for his Board area through his distinguished professional expertise and the management roles previously held by him.

## Diversity Policy for the Supervisory Board

The Diversity Policy for the Supervisory Board provides that, in relation to the composition of the Supervisory Board, the aspects of gender, educational and professional background, internationality, and age be taken into account in the following manner:

- To ensure that women are represented appropriately, the Diversity Policy provides that the mandatory statutory gender quota of at least 30% women applies.
- The educational and professional background of any individual member of the Supervisory Board should, collectively with the educational and professional backgrounds of all other Supervisory Board members, cover the range of skills and expertise set out in the Profile of Skills and Expertise for the Supervisory Board. In this regard, it is not decisive whether such skills and expertise were acquired by university studies or any other professional formation, or by a different route.
- To ensure an international composition of the Supervisory Board, it should comprise at least three persons who do not originate from Germany. In addition, the SAP SE Employee Involvement Agreement stipulates that the employee representatives on the Supervisory Board must come from different EU countries (currently, two representatives must originate from EU member states other than Germany).
- In general, the Supervisory Board should have a mixed age structure. The age limit of 75 years stipulated by the Supervisory Board has to be applied. No specific age-related targets were set, however, as this would

unduly limit the Nomination Committee's discretion to select suitable shareholders' representatives. Similarly, age-related targets for the employee representatives cannot be implemented, either, as these representatives are elected by the employees.

The Diversity Policy for the Supervisory Board is implemented by the Nomination Committee's appropriately taking into account the aspects set forth in the Diversity Policy when recruiting and selecting suitable shareholders' representatives. As the election of the employee representatives by the European employees is solely governed by the SAP SE Employee Involvement Agreement, the Diversity Policy is not applicable in this respect.

In financial year 2019, the Diversity Policy was applied in connection with the new elections of all shareholder representatives to the Supervisory Board by the General Shareholders' Meeting on May 15, 2019, as the election proposals to the General Shareholders' Meeting followed the provisions of the Diversity Policy, particularly with respect to gender, educational and professional background, and geographic origin.

Walldorf, Germany, February 18, 2020

Executive Board and Supervisory Board of SAP SE