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

Sound corporate governance is a basic tenet of responsible management at SAP. As a global company with an international shareholder base, we attach particular importance to managing and controlling 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 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

General Information About the Company
SAP is an international software firm with European roots, having the legal form of a European company (Societas Europaea, or SE). Being an SE headquartered in Walldorf, 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.

Corporate Governance According to German and U.S. Rules

Because SAP SE is listed on a German stock exchange, our corporate governance is based not only on the applicable laws and our articles of incorporation which are published on SAP’s Web site at https://www.sap.com/investors/en/governance.html, but also on the Code.

Since SAP is also listed in the United States, we are also subject to 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). 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.

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 2020.

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

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

Since the last declaration of conformity of October 2019, SAP has complied with the recommendations set out in the German Corporate Governance Code (the “Code”) as amended on February 7, 2017 (published in the Federal Gazette (Bundesanzeiger) on April 24, 2017). However, since July 1, 2020 no deductible (Selbstbehalt) has been agreed in the D&O insurance for the members of the Supervisory Board since the relevant recommendation is no longer contained in the current version of the Code of December 16, 2019 (published in the Federal Gazette on March 20, 2020).

In the future, SAP will comply with the recommendations set out in the Code as amended on December 16, 2019 (published in the Federal Gazette (Bundesanzeiger) on March 20, 2020) with the following exception:

Disbursement of remaining variable remuneration components if an Executive Board member’s service contract is terminated (precautionary declaration of non-conformity with recommendation G.12)

The service contracts for Executive Board members and the remuneration system in place for the Executive Board of SAP provide that in the event of a premature termination of the service contract for Executive Board members due to a change of control (as defined in the service contract for Executive Board members) the tranches already granted under the SAP Long-Term Incentive Program 2020 (LTI 2020) will be disbursed without undue delay. The disbursement will be made pro rata temporis in the proportion which the actual term that was shortened due to the change of control bears to the four-year-term of a tranche plus 50% of the portion which would be forfeited if pro rata temporis aspects alone were considered. In view of the above, we declare, by way of precaution, non-conformity with the recommendation set out in section G.12 GCGC. The reason for the provision described above is that a change of control regularly entails changes within a company that let it
appear unjustified to make the disbursement amount from long-term variable remuneration components dependent on the performance of the company and its share price after the change of control. In addition, SAP is convinced that the intended linkage of the remuneration to sustainable and long-term development is not lost due to this provision since the Executive Board members, during their term of service, cannot expect a change of control to later occur.

Walldorf, October 2020

For the Executive Board
Christian Klein

For the Executive Board
Luka Mucic

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

Executive Board

The Executive Board, which has six members at the time of issuance of this Corporate Governance Statement, 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 closely cooperates with the Supervisory Board for the benefit of the Company and 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 throughout the Group with the requirements of the law, the articles of incorporation and our internal global policies, 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 of the Executive Board

General

The members of the Executive Board are appointed and removed by the Supervisory Board. In accordance with the recommendation in the Code, the SAP Supervisory Board limits the first term of office of Executive Board members to three years. 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)).

Current Composition

Information about the current composition of the Executive Board of SAP SE and the allocation of portfolios of responsibility is available on SAP’s Web site at https://www.sap.com/investors/en/governance/executive-board.html as well as in the SAP Integrated Report of the relevant fiscal year. On the SAP Web site, we also published, inter alia, biographies of the Executive Board members, information about their task-specific qualifications, as well as when their current terms of office will expire.

Side Activities

Information about memberships of the Executive Board members on supervisory boards and comparable supervisory bodies outside the SAP Group is available on SAP’s Web site at https://www.sap.com/investors/en/governance/executive-board.html. The Executive Board members assume any side activities, especially Group-external supervisory board mandates, only with the consent of the SAP Supervisory Board’s General and Compensation Committee. In accordance with the recommendation of the Code, no Executive Board member has more than two mandates in supervisory boards or comparable supervisory bodies in Group-external publicly listed companies or chairs the supervisory board of a Group-external publicly listed company. Furthermore, the SAP Supervisory Board’s stipulation is also complied with, pursuant to which no member of the Executive Board may assume more than one mandate in a supervisory board or comparable supervisory body in a Group-external publicly listed company.

Succession Planning

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. Key criteria for selecting suitable candidates for the long-term succession planning are professional and personal skills for the allocable area of responsibility, as well as leadership skills, previous achievements, and industry knowledge. In connection with the long-term succession planning, the Supervisory Board regularly deals with highly qualified executives who serve 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 to screen candidates for the long-term succession planning.

Diversity

Furthermore, the Supervisory Board places great value on diversity in the composition of the Executive Board, particularly with regard to gender, educational and professional background, nationality, and age. The Supervisory Board especially aims for an appropriate representation of women on the Executive Board, and has thus set the target for the quota of women on the Executive Board by June 30, 2022, to two women.

To foster diversity in the composition of the Executive Board, the Supervisory Board also adopted a Diversity Policy (Diversitätskonzept) which provides that, in relation to its composition, 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 determined the above-mentioned target of at least two women on the Executive Board.
- With regard to the educational and professional background, Executive Board members should be selected based on the competencies generally required on the Executive Board of SAP SE, 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, services, marketing 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 is 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 2020, the Diversity Policy was applied in connection with the appointments of Executive Board members Sabine Bendiek effective January 1, 2021, Scott Russell effective February 1, 2021, and Julia White effective March 1, 2021. In particular, the appointments of Sabine Bendiek and Julia White took account of the objective that women be appropriately represented on the Board. Furthermore, all three of the above-mentioned qualified for the Board areas to be led by them by virtue of their distinguished professional expertise and the management roles previously held by them at SAP and another big global IT company, respectively. Moreover, given their many years of professional experience and seniority, their appointments contributed towards a well-balanced age structure of the Executive Board. In addition, the appointments of Scott Russell and Julia White enhanced the Executive Board’s international composition, since neither is from Germany and both have international experience due to their professional activities in the United States and in the Asia Pacific Japan region, respectively.

How the Executive Board Works

Overall Responsibility and Portfolios

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. The Executive Board’s rules of procedure are published on SAP’s Web site at https://www.sap.com/investors/en/governance.html.

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 CEO.

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. The Executive Board’s rules of procedure and schedule of portfolios describe Executive Board collaboration in more detail.

Adoption of Resolutions

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. Dates and agendas for Executive Board meetings are set by the CEO. 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.

Tasks of the CEO

Pursuant to the Executive Board’s rules of procedure, the CEO represents the Company vis-à-vis third parties. Furthermore, the CEO reconciles issues relating to the Executive Board members’ portfolios with the Company’s overall goals and plans. The CEO also represents the Executive Board in dealings with the Supervisory Board. He or she 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 regularly provides to the Supervisory Board full and timely reports on strategy, business planning, profitability, and all aspects of business performance which are material for the SAP Group, including any deviations of actual business performance from plan, as well as on current risks, risk management, and corporate compliance. In doing so, the CEO describes and explains in detail any deviations of business performance from previously established plans and targets.

Conflicts of Interest

Each member of the Executive Board must disclose every conflict of interest to the Supervisory Board’s chairman and the CEO without delay and must inform the other members that he or she has done so. 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.

Instruments of Business Management

Internal Control and Risk Management System

As a global company, SAP is exposed to a broad range of risks across our business operations. Consequently, our Executive Board has established comprehensive internal control and risk management structures that enable it to identify and analyze risks early and take appropriate action. Our risk management and internal control system is designed to identify potential events that could negatively impact the Company and to provide reasonable assurance regarding the operating effectiveness of our internal controls over our financial reporting. For more information about our internal control and risk management system, see our Annual Report, which is included in the SAP Integrated Report of the relevant fiscal year.

Compliance Management

SAP’s top priority is to comply with the requirements of the law. That applies not only to the management of the Company by the Executive Board of SAP SE, but also 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 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 preclude 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 published on the SAP Web site at https://www.sap.com/corporate-en/investors/governance. SAP’s Office of Ethics and Compliance 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.

For more information about our Compliance Management Policy, see our Annual Report, which is included in the SAP Integrated Report of the relevant fiscal year.

Ecological, Social and Employee Matters including Diversity

The principle of sustainability is embedded in our corporate strategy. In this connection, we have identified the following non-financial topics as material for SAP: ethical business conduct and compliance management (for more information, see the preceding paragraph of this document), climate protection and energy management, human and digital rights, employee matters, impact on society, as well as innovation and customer loyalty. We report on the measures taken by SAP in relation to those topics and on the social and ecological performance of SAP in our Non-Financial Report which is included in the SAP Integrated Report of the relevant fiscal year.

In relation to employee matters, our focus is on health and safety management as well as on diversity and inclusion. In this connection, we have developed global policies applicable across the entire SAP Group. Accordingly, when filling executive positions within the Company, the Executive Board takes diversity into account and particularly aims for women to be appropriately represented. 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 by one percentage point per year to 30% by the end of 2022. On December 31, 2020, this share stood at approximately 27.5%.

Executive Board Compensation and Securities Transactions

The compensation system for the Executive Board members complies with legal provisions and the recommendations of the Code. The same is true for SAP’s manner of reporting on the Executive Board’s compensation. The compensation system for the members of the Executive Board was presented to SAP SE’s annual general meeting of shareholders for approval most recently on May 20, 2020, and accepted by 78.42% of the valid votes cast. The compensation system for the Executive Board members as well as the resolution of the annual general meeting of shareholders on its approval are contained in the invitation to SAP SE’s Annual General Meeting of Shareholders held on May 20, 2020, which is published on SAP’s Web site at https://www.sap.com/investors/en/calendar/agm.html. SAP reports on the Executive Board members’ compensation during the preceding fiscal year in the Compensation Report, which is contained in the SAP Integrated Report of the relevant fiscal year.

The Executive Board members are obliged to inform the public about any transactions carried out by them or by persons closely associated with them involving SAP shares or other securities issued by SAP SE. Information about such transactions is publicly available on SAP’s Web site at https://www.sap.com/investors/en/governance/managers-transactions.html.

Supervisory Board

Composition of the Supervisory Board

General

The size and composition of the Supervisory Board are governed by the articles of incorporation and by the SAP SE Employee Involvement Agreement. Both of these documents are published on SAP’s Web site at https://www.sap.com/investors/en/governance.html. The Supervisory Board of SAP SE currently has 18 members comprising equal numbers of representatives of the shareholders and the employees.

Current Composition

Information about the members of the Supervisory Board is published on SAP’s Web site at https://www.sap.com/investors/en/governance/supervisory-board.html as well as in the SAP Integrated Report of the relevant fiscal year. There you will also find information about the memberships of Supervisory Board members in other supervisory boards and comparable supervisory bodies. On SAP’s Web site we also publish biographies of the Supervisory Board members, as well as information regarding their professions, length of service on the Supervisory Board of SAP SE, and the expiry of their current term of office.

Objectives for Composition and Independence of Shareholder Representatives

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 on the shareholder representatives’ side of the Supervisory Board who have international experience due to their origin or occupation.
- 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 should be independent members in the meaning of the Code.
- No member of the Supervisory Board should be older than 75 years.

When preparing its proposals to the Annual 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 as described above. It believes that, as a whole, it fulfills all of these objectives:

The four Supervisory Board members Pekka Ala-Pietilä, Aicha Evans, Bernard Liautaud, and Qi Lu have international experience due to their non-German origin as well as their professional activities outside of Germany. As such, the Supervisory Board has met its own target of having at least three members on the shareholder representatives’ side with international experience due to their origin or occupation.

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

The regular age limit of 75 years set by the Supervisory Board is met, except in the case of the Supervisory Board’s chair.

The Supervisory Board determines once a year whether it has an appropriate number of independent members. Such determination was made most recently by the Supervisory Board in its meeting on October 22, 2020. It concluded there that all of its then-current 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), and thus more than half of the shareholders’ representatives in accordance with the Code, were independent in the meaning of the Code.

Furthermore, at the above-mentioned meeting, the shareholder representative members determined that, in their assessment and also taking SAP SE’s ownership structure into account, five shareholder
representative members (and thus more than half of them) constitute a suitable number of independent members among the shareholders’ representatives. At the same time, they determined that, also taking into account the ownership structure of SAP SE, the Supervisory Board’s shareholder representative side comprises an appropriate number of independent members in the meaning of the Code.

The independence assessment of the Supervisory Board’s shareholder representative side was based on the standards and criteria of independence of the Code. The shareholder representatives’ personal and business dealings with the Company and the Executive Board were assessed, which did not result in any evidence for a lack of independence.

Hasso Plattner, Pekka Ala-Pietilä, and Bernard Liautaud have served on the Supervisory Board of SAP SE for more than 12 years. As such, the tenure of each exceeds the length of service on the Supervisory Board specified in the Code as an indicator for a lack of independence. Nonetheless, the shareholder representatives came to the conclusion that the three above-mentioned members continue to be independent, for the following reasons:

– Hasso Plattner, Pekka Ala-Pietilä, and Bernard Liautaud are not financially dependent on their membership of the Supervisory Board of SAP SE.

– Most of the present members of the Executive Board have served for fewer than five years. At six years, Luka Mucic is the longest-serving Executive Board member. As such, there are no grounds to assume that working together over an extended period has given rise to any dependency between the Executive Board members and Hasso Plattner as Supervisory Board chair. The same applies to Pekka Ala-Pietilä and Bernard Liautaud.

– Hasso Plattner, Pekka Ala-Pietilä, and Bernard Liautaud show none of the negative aspects widely associated with long tenure.

– Moreover, the fact that Supervisory Board chairman Hasso Plattner owns a substantial stake in SAP suggests he has sufficient incentive to maintain a critical and unbiased view of the matters the Supervisory Board is responsible for scrutinizing.

– This is consistent with the approach SAP took prior to the recent amendment of the Code which came into effect on March 20, 2020: When assessing independence, the assumption was that the length of Supervisory Board service did not, by itself, prevent a member from qualifying as independent.

Profile of Skills and Expertise

Furthermore, the Supervisory Board adopted a Profile of Skills and Expertise (Kompetenzprofil), which is available on the SAP Web site at https://www.sap.com/investors/en/governance/supervisory-board.html. 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, product expertise, and consumer market experience. 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, international personnel planning and management (particularly in the area of executives), supervisory and committee work, management of large organizations, Company-internal organization and processes, corporate governance, and crisis management. In addition, pursuant to the Profile of Skills and Expertise and in accordance with the German Stock Corporation Act and the Code as well as the NYSE’s corporate governance standards, 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.

When preparing its proposals to the General Meeting of Shareholders for the election to the Supervisory Board, the Supervisory Board not only takes into account the objectives described in the preceding section which it has set for its own composition, but it also aims at fulfilling the Profile of Skills and Expertise for the entire body. The Supervisory Board of SAP SE believes that, as a whole, it fulfills all of the requirements 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. He is the chief financial officer of a company that is listed on a U.S. stock exchange, and prior to that, was 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).

Diversity

The Supervisory Board places great value on diversity with regard to its composition, and aims for women to be appropriately represented.

The Supervisory Board of SAP SE is subject to a statutory minimum quota of 30% for female and male representatives. In fiscal year 2020, the 18-member Supervisory Board comprised nine women from 1 January until 9 December. Following Diane Greene’s resignation from office as of 9 December 2020, the quota of women on the Supervisory Board still stood at eight out of 17 members from December 10 until December 21, 2020, and at eight out of 18 members from the court appointment of Qi Lu as successor of Diane Greene effective December 21 until year-end 2020. Thus, the percentage of women on the Supervisory Board met the minimum quota of 30% during the entire financial year 2020, and with 50% (or approximately 47% after Diane Greene’s resignation, and approximately 44% after her successor’s appointment) even exceeded it significantly.

To foster diversity, the Supervisory Board further adopted a Diversity Policy (Diversitätskonzept) which provides that, in relation to its composition, 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 2020, the requirements of the Diversity Policy were taken into account in connection with the court appointment of Qi Lu as Diane Greene’s successor. In particular, with his Ph.D. in computer science and many years of service in senior management roles at renowned software companies in the United States and China, Qi Lu fulfills not only the requirements of the Profile of Skills and Expertise with respect to educational and professional background, but also the Diversity Policy criterion of international experience. Furthermore, the minimum quota of 30% women on the Supervisory Board, as prescribed by law and targeted by the Diversity Policy, continues to be met with his appointment.

How the Supervisory Board Works

General

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 which are published on SAP’s Web site at https://www.sap.com/investors/en/governance.html.

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. Accordingly, the Supervisory Board has reserved to itself the approval of certain types of 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. If the Executive Board intends to conduct such a transaction, it has to obtain the Supervisory Board’s prior consent. To this end, it has to inform the Supervisory Board in a comprehensive and timely manner about the intended measure. The Supervisory Board’s decision is usually prepared by the competent committee. In certain cases, the Supervisory Board may also delegate the decision on the consent to the competent committee.

Meetings and Adoption of Resolutions

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.

Reporting, Assessment of Efficiency

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 fiscal year. The Supervisory Board’s report is included in the SAP Integrated Report of the relevant fiscal year.

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.

Conflicts of Interest

Each Supervisory Board member must disclose any conflict of interest to the Supervisory Board’s chairman without delay. Information about conflicts of interest that emerged in the preceding fiscal year, as well as on how they were dealt with, is available in the Supervisory Board’s Report which is published in the SAP Integrated Report of the relevant fiscal year.

Committees and How they Work

General

In accordance with the Supervisory Board’s rules of procedure and the recommendation in the Code, the Supervisory Board of SAP SE sets up committees to help it work more efficiently and deal with complex issues. The Supervisory Board currently has the following seven committees: the General and Compensation Committee, the Audit Committee, the Finance and Investment Committee, the Technology and Strategy Committee, the Nomination Committee, the People and Organization Committee, and since January 1, 2021, the China Strategy Committee. Information about the tasks of the committees is available on SAP’s Web site at https://www.sap.com/investors/en/governance/supervisory-board.html.

How the Committees Work

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. In addition, the committees also have their own rules of procedure, which detail fields of responsibility and how committees report to the full Supervisory Board. The committees’ chairpersons regularly report to the full Supervisory Board on the committees’ work.

A comprehensive description of the committees’ work during the preceding fiscal year is available in the Supervisory Board’s Report which is published in the SAP Integrated Report of the relevant fiscal year.

Composition

Pursuant to the Supervisory Board’s rules of procedure, a committee must have no fewer than three members. When selecting committee members, care is taken to ensure they have the required expertise in the relevant fields.

The committees are currently composed as follows:

Audit Committee: Gunnar Wiedenfels (chair), Panagiotis Bissiritsas, Margret Klein-Magar, Gerhard Oswald, Friederike Rotsch, James Wright.

Finance and Investment Committee: Friederike Rotsch (chair), Panagiotis Bissiritsas, Gerhard Oswald, Christine Regitz, Gunnar Wiedenfels, James Wright.

Technology and Strategy Committee: Hasso Plattner (chair), Christine Regitz (deputy chair), Aicha Evans, Monika Kovachka-Dimitrova, Gesche Joost, Lars Lamadé, Bernard Liautaud, Gerhard Oswald, Heike Steck, Christa Vergien-Knopf, James Wright.

People and Organization Committee: Gerhard Oswald (chair), Pekka Ala-Pietilä, Aicha Evans, Gesche Joost, Monika Kovachka-Dimitrova, Heike Steck, Christa Vergien-Knopf, Ralf Zeiger.

Nomination Committee: Hasso Plattner (chair), Pekka Ala-Pietilä, Bernard Liautaud, Gerhard Oswald.

China Strategy Committee: Gerhard Oswald (chair), Margret Klein-Magar, Lars Lamadé, Hasso Plattner, Friederike Rotsch, Heike Steck.


Supervisory Board Compensation and Securities Transactions

The Supervisory Board members’ compensation is stipulated in the articles of incorporation of SAP SE. It was most recently confirmed by a resolution of SAP SE’s annual general meeting of shareholders on May 20, 2020. SAP reports on the Supervisory Board members’ compensation during the preceding fiscal year in the Compensation Report which is included in the SAP Integrated Report of the relevant fiscal year.

The Supervisory Board members are obliged to inform the public about any transactions carried out by them or by persons closely associated with them involving SAP shares or other securities issued by SAP SE. Information about such transactions is publicly available on SAP’s Web site at https://www.sap.com/investors/en/governance/managers-transactions.html.

Walldorf, Germany, February 23, 2021

Executive Board and Supervisory Board of SAP SE