

# German Stock Corporation Act, Section 161 Amendment to the October 29, 2012, Declaration by the Executive and Supervisory Boards Concerning SAP's Implementation of the German Corporate Governance Code

The compensation arrangements for co-CEO Jim Hagemann Snabe for 2013 and 2014 do not follow the recommendations of the German Corporate Governance Code.

In this present addendum to their October 29, 2012, declaration pursuant to the German Stock Corporation Act, section 161, the Executive Board and the Supervisory Board of SAP AG (SAP) declare as follows:

The German Corporate Governance Code section 4.2.3 (paragraph 2, sentence 2) recommends in its May 15, 2012, version, published in the *Bundesanzeiger* (German Federal Gazette) on June 15, 2012, and in its May 13, 2013, version, published in the German Federal Gazette on June 10, 2013, that executive board members' cash compensation elements comprise fixed and variable elements.

SAP generally follows this recommendation. Exceptionally, however, the 2013 and 2014 compensation arrangements for co-CEO Jim Hagemann Snabe do not follow this recommendation of the German Corporate Governance Code. This is because it is intended that Mr. Snabe transfer to the Supervisory Board at the end of the next Annual General Meeting of Shareholders, scheduled for May 21, 2014. Under the agreement with Mr. Snabe, he receives only fixed cash compensation elements for his membership of the Executive Board in 2013 and 2014; some of the cash compensation elements granted for 2013 do not pay out if certain targets are not achieved. An advantage of the agreed fixed cash compensation elements is that they avoid a conflict of interest in the person of Mr. Snabe. If Mr. Snabe were to receive the variable compensation elements SAP ordinarily pays its Executive Board members, such a conflict of interest would arise on his transfer to the Supervisory Board because (some) elements of his Supervisory Board compensation package would converge with those of the remaining Executive Board members. Mr. Snabe would only transfer to the Supervisory Board if the conditions of the German Stock Corporation Act, section 100 (2)(4) are fulfilled and the Annual General Meeting of Shareholders elects him.

In all other respects the October 29, 2012, Declaration of Implementation applies.

Walldorf, September 2013



For the Executive Board  
Jim Hagemann Snabe



For the Executive Board  
Bill McDermott



For the Supervisory Board  
Hasso Plattner