



**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 13 March 2018

EUR 500,000,000 Floating Rate Notes due 2021

EUR 500,000,000 1.000 per cent. Notes due 2026

EUR 500,000,000 1.375 per cent. Notes due 2030.

The notes due 13 March 2021 (the "**2021 Notes**") bear interest on their principal amount from 13 March 2018 at a floating rate of interest payable in arrear on 13 March, 13 June, 13 September and 13 December in each year, the notes due 13 March 2026 (the "**2026 Notes**") bear interest on their principal amount from 13 March 2018 at a fixed rate of 1.000 per cent. per annum payable in arrear on 13 March in each year and the notes due 13 March 2030 (the "**2030 Notes**") and, together with the 2021 Notes and the 2026 Notes, the "**Notes**") bear interest on their principal amount from 13 March 2018 at a fixed rate of 1.375 per cent. per annum payable in arrear on 13 March 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 2021 Notes will be redeemed at par on 13 March 2021, the 2026 Notes will be redeemed at par on 13 March 2026 and the 2030 Notes will be redeemed at par on 13 March 2030.

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. 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.

This Prospectus (the "**Prospectus**") has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") – which is the Luxembourg competent authority for the purposes of the *Loi relative aux prospectus pour valeurs mobilières*, as amended (the "**Luxembourg Law**") which implements Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003, as amended, (the "**Prospectus Directive**") into Luxembourg law – on 9 March 2018, has been filed with said authority and will be published in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

**Sole Global Coordinator and Joint Lead Manager**

J.P. Morgan

**Joint Lead Managers**

Barclays

ING

HSBC

Société Générale Corporate & Investment Banking

Banco Bilbao Vizcaya Argentaria, S.A.

RBC Capital Markets

Goldman Sachs International

Standard Chartered Bank

UniCredit Bank

## 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.

By approving this Prospectus the CSSF assumes no responsibility as to the economic and financial soundness of the transactions or the quality or solvency of the Issuer in line with the provisions of article 7 (7) of the Luxembourg Law.

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 and does not form part of this Prospectus.

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 authorised 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 authorised 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 the 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 the 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 Directive 2014/65/EU (as amended, "**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 manufacturer's 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 manufacturer's 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**"). 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 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. No key information document within the meaning of Regulation (EU) No 1286/2014 (as amended the "**PRIPs 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 come 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 United Kingdom, 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 authorised or to any person to whom it is unlawful to make such an offer or solicitation.**

IN CONNECTION WITH THE ISSUE OF THE NOTES, J.P. MORGAN (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, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION 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 STABILISING 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.

Amounts payable under the Notes will be calculated by reference to the EURIBOR, which is currently provided by European Money Markets Institute ("**EMMI**"). As at the date of this Prospectus, EMMI does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority

pursuant to Article 36 of Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**").

As far as the Issuer is aware, the transitional provisions of Article 51 of the Benchmark Regulation apply, such that EMMI is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

## TABLE OF CONTENTS

|                                                                                        |            |
|----------------------------------------------------------------------------------------|------------|
| <b>RISK FACTORS .....</b>                                                              | <b>7</b>   |
| <b>Risk factors in respect of SAP SE .....</b>                                         | <b>7</b>   |
| <b>Risk Factors in Respect of the Notes.....</b>                                       | <b>19</b>  |
| <b>TERMS AND CONDITIONS FOR THE 2026 NOTES AND THE 2030 NOTES.....</b>                 | <b>22</b>  |
| <b>TERMS AND CONDITIONS FOR THE 2021 NOTES .....</b>                                   | <b>45</b>  |
| <b>GENERAL INFORMATION ABOUT THE ISSUER .....</b>                                      | <b>71</b>  |
| <b>TAXATION.....</b>                                                                   | <b>98</b>  |
| <b>SUBSCRIPTION AND SALE .....</b>                                                     | <b>104</b> |
| <b>Subscription .....</b>                                                              | <b>104</b> |
| <b>Selling Restrictions .....</b>                                                      | <b>104</b> |
| <i>General .....</i>                                                                   | <i>104</i> |
| <i>European Economic Area .....</i>                                                    | <i>104</i> |
| <i>United States of America (the "United States") .....</i>                            | <i>104</i> |
| <i>Selling Restrictions Addressing Additional United Kingdom Securities Laws .....</i> | <i>105</i> |
| <i>France .....</i>                                                                    | <i>105</i> |
| <i>Japan .....</i>                                                                     | <i>106</i> |
| <b>GENERAL INFORMATION .....</b>                                                       | <b>107</b> |
| <b>Listing and Admission to Trading .....</b>                                          | <b>107</b> |
| <b>Authorisation .....</b>                                                             | <b>107</b> |
| <b>Use of Proceeds.....</b>                                                            | <b>107</b> |
| <b>Method to determine the yield.....</b>                                              | <b>107</b> |
| <b>Credit Rating .....</b>                                                             | <b>107</b> |
| <b>Expenses .....</b>                                                                  | <b>107</b> |
| <b>Clearing.....</b>                                                                   | <b>108</b> |
| <b>Form of the Notes .....</b>                                                         | <b>108</b> |
| <b>Litigation and claims.....</b>                                                      | <b>108</b> |
| <b>Significant Change in the financial or trading position .....</b>                   | <b>110</b> |
| <b>Trend Information .....</b>                                                         | <b>111</b> |
| <b>Documents on Display.....</b>                                                       | <b>111</b> |
| <b>INCORPORATION BY REFERENCE.....</b>                                                 | <b>112</b> |
| <b>NAMES AND ADDRESSES .....</b>                                                       | <b>113</b> |

## 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. The order in which the risks are described neither indicates the probability of their occurrence nor the gravity or significance of the individual risks nor the scope of their financial consequences. Additional risks which SAP SE is not currently aware of 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

***Uncertainty in the global economy, financial markets, social and political instability caused by state-based conflicts, terrorist attacks, civil unrest, war, or international hostilities 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 factors that are difficult to predict and beyond our influence and control. Any of these factors could have a significant adverse effect on the local economy and beyond.

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

- General economic, political, social, environmental, market conditions, and unrest (for example, Turkey, Venezuela, UK/ Brexit)
- Continued deterioration in global economic conditions (impact on accurate forecast) or budgetary constraints of national governments
- 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, natural disasters, pandemic diseases impacting our business

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

***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 in the Americas (Latin America and North America); Asia Pacific Japan (APJ); China, Hong Kong, Macau, and Taiwan (Greater China); Europe, Middle East, and Africa (EMEA); and Middle and Eastern Europe (MEE) regions. 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 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 accounting standards and tax laws including, but not limited to, conflict and overlap among tax regimes measures as well as the introduction of new tax concepts that harm digitized business models
- Discriminatory, protective, or conflicting fiscal policies and tax laws, such as certain protectionist measures included in the U.S. Tax Reform which was enacted end of 2017 and involves uncertainties as to how the U.S. government will implement the new law
- 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), 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 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))
- Expenses associated with the localization of our products and compliance with local regulatory requirements
- Difficulties enforcing intellectual property and contractual rights in certain jurisdictions

In 2017, an investigation was initiated and is ongoing with regards to potential sanction violations. Given the early stage of the comprehensive and exhaustive investigations and the corresponding remediation activities, 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.

As we expand into new countries and markets or extend our business activities in these markets, including emerging 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.

***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 increasingly 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 being brought against us, including claims and lawsuits involving 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 authorisation 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 unauthorised 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 IFRS.

***Non-compliance with applicable data protection and privacy laws or failure to adequately meet the 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.***

As a global software and service provider, SAP is required to comply with local laws wherever SAP does business. With regard to data protection requirements, in May 2016, the EU enacted a "General Data Protection Regulation" (GDPR) with the aim of further harmonizing data protection laws across the EU. The GDPR will be directly applicable law in all EU and EEA member states as of 25 May 2018, after a two-year transition period. Within limits, member states can supplement the GDPR with additional national rules.

Non-compliance with applicable data protection and privacy laws, in particular the EU GDPR, by SAP and/or any of the subcontractors engaged by SAP for 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
- Damage claims by customers
- Harm to SAP's reputation

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

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

#### ***Our controls and efforts to prevent the unauthorised 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.

#### ***Unethical behavior and non-compliance with our integrity standards due to intentional and fraudulent employee behavior 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. The SAP Code of Business Conduct, adopted by the Executive Board on 29 January 2003, and updated as necessary since then, memorialized and supplemented the already existing guidelines and expectations for the business behavior practiced at SAP.

However, we might for instance encounter the following risks associated with:

- 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 payments by employees, vendors, distributors, or agents
- Unethical and fraudulent behavior of individual employees or partners leading to criminal charges, fines, and claims by injured parties also considering the ongoing investigations for example in South Africa, the Middle East, and North Africa
- Collusion with external third parties, for example providing assistance in securing contracts
- Fraud and corruption together with operational difficulties, especially in countries with a high Corruption Perceptions Index
- Impact on business activities in 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.

In 2017, SAP encountered situations that required clear messaging and strong action on non-compliance in the context of ethical behavior with the potential to harm our business. In South Africa, SAP is investigating its dealings with the public sector. Given the early stage of the comprehensive and exhaustive investigations and the corresponding remediation activities, 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. In the context of these investigations, on 8 March 2018 SAP announced results of its investigation into software contracts with South African state-owned enterprises (SOE) Transnet SOC Ltd. and Eskom. The central findings confirm that there were payments to Gupta-related entities, indications of misconduct relating to the management of Gupta-related third parties and irregularities in the adherence to SAP's compliance processes. The investigation also confirms that there is no evidence of any payment or attempted payment made to any South African government official or any employee of an SOE in connection with the Transnet and Eskom transactions. In November 2017, SAP notified the national head of the Directorate for Priority Crime and Investigation of its willingness to cooperate with any investigation they may undertake. SAP also continues to cooperate with the U.S. Department of Justice and the U.S. Securities and Exchange Commission, and remains committed to sharing all findings with both local and international authorities.

***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 (2020 and 2025) targets for greenhouse gas emissions
- Failure to maintain rating in sustainable investment indexes (Dow Jones Sustainability Indices and the CDP Climate Performance and Disclosure Leadership Indices)

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.

***Principal shareholders may be able to exert control over our future direction and operations.***

Certain shareholders reported to SAP their beneficial ownership in the ordinary shares of SAP, however, none of these shareholders reported to hold 10 per cent. or more of the outstanding ordinary shares. Thus, to our knowledge, SAP currently has no controlling shareholders. Nonetheless, if a group of principal shareholders and the holdings of entities controlled by them vote in the same manner, this could delay, prevent or facilitate a change in control of SAP or other significant changes to SAP SE or its capital structure.

## **Financial Risks**

***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 can typically range from one to three years, and in some cases, up to five years
- Existing customers might cancel or not renew their maintenance contracts, or decide not to buy additional products and services
- Changes in customer budgets or seasonality of technology purchases by customers
- Decreased software sales that could have an adverse effect on related maintenance and services revenue
- 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
- High operating expenses or insufficient revenue generation to offset the significant research and development costs

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.

***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 or make other payments due on our financial debt (including the Notes)
- 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.

***Management use of estimates could negatively affect our business, financial position, profit, and cash flows.***

To comply with IFRS, management is required to make numerous judgments, estimates, and assumptions that affect the reported financial figures.

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

- The facts and circumstances, as well as assumptions on which management bases these estimates and judgments and management's judgment regarding the facts and circumstances, might change over time

This could result in significant changes in the estimates and judgments and, consequently, in the reported financials, and could have an adverse effect on our business, financial position, profit, and cash flows.

***Current and future accounting pronouncements and other financial reporting standards, might negatively impact our financial results.***

We regularly monitor our compliance with applicable financial reporting standards and review new pronouncements and drafts thereof that are relevant to us. As a result of new standards, changes to existing standards, and changes in their interpretation, we might be required to change our accounting policies.

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

- Not being able to react in a timely manner to new accounting pronouncements and financial reporting standards concerning revenue recognition (including the new IFRS 15 on revenue from contracts with customers that we will need to adopt in 2018)
- Unpredictable changes in interpretation of standards

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

***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 2017, approximately 72.4 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
- 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.

***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 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.

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

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

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

- Investments could generate net losses and 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**

***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 maintenance and expansion of our highly skilled and specialized workforce in the area of cloud is a key success factor for our transition to be the leading cloud company. 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 achievements 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**

***Sales and implementation of SAP software and services, including cloud, is 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 to enable our customers to master complexity and help our customers' businesses run at their best. 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

- 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
- 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
- Inadequate contracting and consumption models based on subscription models for services, support, and application management

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

***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 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 and 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 and 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 and SAP Cloud Platform (formerly called SAP HANA Cloud Platform)
- Partners might not adhere to applicable legal and compliance regulations
- Partners might not meet quality requirements expected by our customers
- 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 abide to 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 software vendors, which could have an adverse effect on our reputation, business, financial position, profit, and cash flows.

***We may not be able to properly protect and safeguard our critical information and assets, business operations, cloud offerings, 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 in the following areas, among others:

- Capacity shortage and SAP's inability to deliver and operate cloud services in a timely and efficient way as expected by or committed to our customers
- Customer concerns about the ability to scale operations for large enterprise customers
- Defects or disruption to data center operations or system stability and availability
- Interruptions in the availability of SAP's cloud applications portfolio
- 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)
- 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 an adverse effect on our business, financial position, profit, and cash flows.

***Undetected security vulnerabilities shipped and deployed within our products and infrastructure might cause damage to SAP and our customers and partners. Our cloud operations are dependent on a high-performance cyberspace. A cybersecurity breach or economic espionage could have an adverse effect on our customers, our reputation, and our business.***

Customer systems or systems operated by SAP to provide services could potentially be compromised by vulnerabilities or cybersecurity breaches.

These kinds of occurrences could lead to risks in the following areas, among others:

- Undetected security defects and vulnerabilities
- Exposure of our business operations and service delivery by virtual attack, disruption, damage, and/or unauthorized access, theft, destruction, industrial and/or economic espionage, serious and organized crime, and other illegal activities, as well as violent extremism and terrorism
- Abuse of data, social engineering, misuse, trespassers in our facilities, or systems could be rendered unusable
- State-driven economic espionage or competitor-driven industrial espionage, and criminal activities including, but not limited to, cyberattacks and "mega breaches" against cloud services and hosted on-premise software
- Disruptions to back-up, disaster recovery, and business continuity management processes
- Customer concerns with regards to security capabilities and reliability
- Failure to securely and successfully deliver cloud services by any cloud service provider could have a negative impact on customer trust in cloud solutions
- Increased response time for identified security issues due to complexity and interdependencies could lead to security threats for SAP and customers
- Customer systems or systems operated by SAP could potentially be compromised by vulnerabilities due to hacker exploitation
- Recovery costs as well as significant contractual and legal claims by customers, partners, authorities, and third-party service providers for damages

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

***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
- 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 could contain undetected or detected defects or could 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 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**

***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. Additionally, we need to bring new solutions based on the SAP HANA platform as well as SAP Cloud Platform to the market in line with demands and ahead of our competitors, in particular, innovative applications such as SAP S/4HANA or new technologies such as Internet of Things, machine learning, or blockchain.

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

- Potential loss of existing on-premise customers due to competing cloud market trends
- 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 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 consider competitive cloud offerings or not extend renewals
- Existing customers might cancel or not renew their maintenance contracts, 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

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

***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 to make acquisitions 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 alliances and 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 assumptions during the due diligence process for the acquisition (including assumptions related to business and license models)
- Failure to successfully integrate acquired technologies or solutions into SAP's solution portfolio and strategy
- Failure to successfully integrate acquired operations, cultures, or languages, all within the constraints of applicable local laws
- Unfulfilled needs of the acquired company's customers and partners
- Material unidentified liabilities of acquired companies (legal, tax, accounting, IP)
- Failure in implementing, restoring, or maintaining internal controls, 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 the acquired company's research and development (R&D), sales, and marketing activities
- Debt incurrence or significant unexpected cash expenditures
- Non-compliance with existing SAP standards
- Impairment of goodwill and other intangible assets acquired in business combinations

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

***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 upon 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 changing 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:

- Not being able to bring new business models, solutions, solution enhancements, integrations and interfaces, and/or services to market before our competitors or at equally favorable conditions
- Not being able 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 and SAP Cloud Platform)
- 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 first
- Lower level of adoption of our new solutions, technologies, business models, and flexible consumption models, or no adoption at all
- New applications and services might not meet customer expectations
- 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 competitive solutions in the market, or our strategy might not match customers' expectations, specifically in the context of expanding the product portfolio into additional markets
- Delayed or unsuccessful market launches by us, new market entries, or introduction of new innovations by competitors
- 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**

### ***Notes may not be a suitable investment for all investors***

Each potential investor in Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behavior of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolio. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

### ***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. 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.

### ***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 is exposed to the risk that due to such early redemption his investment will have a lower than expected yield. In this event, 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.

***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.

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

If, e.g., because of the materialisation 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 materialisation of said risk. Under these circumstances, the market value of the Notes will decrease.

***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 may receive less interest or principal than expected, or no interest or principal.

***Fixed Rate Notes***

A holder of a Fixed Rate Note 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.

***Floating Rate Notes***

A holder of a Floating Rate Note is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the yield of Floating Rate Notes in advance.

Neither the current nor the historical value of the relevant floating rate should be taken as an indication of the future development of such floating rate during the term of any Notes.

### ***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.

### ***Risk of Financial Benchmark and Reference Interest Rate Continuity***

So-called benchmarks such as the London Interbank Offered Rate ("**LIBOR**") and the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed "benchmarks" (each a "**Benchmark**" and together, the "**Benchmarks**"), to which the interest of notes bearing or paying a floating or other variable rate of interest may be linked to, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause the relevant benchmarks to perform differently than in the past, or have other consequences which may have a material adverse effect on the value of and the amount payable under Notes bearing or paying a floating or other variable rate of interest.

International proposals for reform of Benchmarks include the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**") which entered into force on 1 January 2018. In addition, there are numerous other proposals, initiatives and investigations which may impact Benchmarks.

Any changes or expected changes to a Benchmark as a result of the Benchmark Regulation or other initiatives, could have a material adverse effect on the costs of refinancing a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules or methodologies used in certain Benchmarks or lead to the disappearance of certain Benchmarks. Although it is uncertain whether or to what extent any of the abovementioned changes and/or any further changes in the administration or method of determining a Benchmark could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be, and/or could have an effect on the value of any Notes whose interest or principal return is linked to the relevant Benchmark, investors should be aware that they face the risk that any changes to the relevant Benchmark may have a material adverse effect on the value of and the amount payable under Notes whose rate of interest or principal return is linked to a Benchmark.

Benchmarks could also be discontinued entirely. For example, on 27 July 2017, the United Kingdom Financial Conduct Authority (FCA) announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021. If a Benchmark were to be discontinued or otherwise unavailable, the rate of interest for floating rate Notes, which are linked to such Benchmark will be determined for the relevant period by the fall-back provisions applicable to such Notes, which in the end could result in the same rate being applied until maturity of the floating rate Notes, effectively turning the floating rate of interest into a fixed rate of interest. Any of the foregoing could have a material adverse effect on the value or liquidity of, and the amounts payable on floating rate Notes whose rate of interest is linked to a discontinued Benchmark.

## TERMS AND CONDITIONS FOR THE 2026 NOTES AND THE 2030 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 1.000 per cent. Notes due 13 March 2026 (the "**2026 Notes**") and the 1.375 per cent. Notes due 13 March 2030 (the "**2030 Notes**") and, together with 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 500,000,000 (in words: Euro five hundred million) in relation to the 2026 Notes and in the aggregate principal amount of EUR 500,000,000 (in words: Euro five hundred million) in relation to the 2030 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**") without interest coupons. The Temporary Global Note and the Permanent Global Note shall each be signed by authorised 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.

### EMISSIONSBEDINGUNGEN DER SCHULDVERSCHREIBUNGEN

#### § 1

##### WÄHRUNG, STÜCKELUNG, FORM, BEGRIFFSBESTIMMUNGEN

(1) *Währung; Stückelung.* Die 1,000 % Schuldverschreibungen fällig 13. März 2026 (die "**2026 Schuldverschreibungen**") und die 1,375 % Schuldverschreibungen fällig 13. März 2030 (die "**2030 Schuldverschreibungen**", zusammen mit den 2026 Schuldverschreibungen die "**Schuldverschreibungen**") der SAP SE (die "**Emittentin**") werden in Euro (die "**festgelegte Währung**") im Gesamtnennbetrag von EUR 500.000.000 (in Worten: Euro fünfhundert Millionen) in Bezug auf die 2026 Schuldverschreibungen und im Gesamtnennbetrag von EUR 500.000.000 (in Worten: Euro fünfhundert Millionen) in Bezug auf die 2030 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**") ohne Zinsscheine verbrieft sind, ausgetauscht. 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) 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 Issue Date of the Notes represented by the Temporary Global Note. 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.
- (b) Die vorläufige Globalurkunde wird an einem Tag (der "**Austauschtag**") gegen die Dauerglobalurkunde ausgetauscht, der nicht mehr als 180 Tage nach dem Begebungstag der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen liegt. Der Austauschtag 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

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).

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.* 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 the following: Clearstream Banking AG ("**CBF**").
- (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 folgendes: Clearstream Banking AG ("**CBF**").
- (5) *Holder of Notes.* "**Holder**" means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes.
- (5) *Gläubiger von Schuldverschreibungen.* "**Gläubiger**" bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den Schuldverschreibungen.

§ 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.

§ 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.

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

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

amount of the Notes shall be from (and including) 13 March 2018 to (but excluding) the Maturity Date (as defined in § 5 (1))

- a. in case of the 2026 Notes at a rate of 1.000 per cent. per annum,
- b. in case of the 2030 Notes at a rate of 1.375 per cent. per annum, and

Interest shall be payable in arrear on 13 March in each year (each such date, an "**Interest Payment Date**"). The first payment of interest shall be made on 13 March 2019.

- (2) *Accrual of Interest.* If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding 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 Period**"); the actual number of days in the Calculation Period divided by the actual number of days in the respective interest 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

Schuldverschreibungen von einschließlich 13. März 2018 bis zu dem Fälligkeitstag (ausschließlich) (wie in § 5 (1) definiert) ist

- a. für die 2026 Schuldverschreibungen 1,000 % *per annum*,
- b. für die 2030 Schuldverschreibungen 1,375 % *per annum*, und

Die Zinsen sind nachträglich am 13. März eines jeden Jahres zahlbar (jeweils ein "**Zinszahlungstag**"). Die erste Zinszahlung erfolgt am 13. März 2019.

- (2) *Auflaufende Zinsen.* Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, fallen auf den ausstehenden Nennbetrag 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 Zeitraum (der "**Zinsberechnungszeitraum**"): die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch die tatsächliche Anzahl von Tagen in dem jeweiligen Zinszeitraum.

#### § 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

<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.

(2), to the Clearing System or (if applicable) to its order for credit to the relevant account Holders of the Clearing System.

Maßgabe von Absatz (2) an das Clearing System oder gegebenenfalls dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.

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).

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) *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.

(2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in der festgelegten Währung.

(3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(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.

(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.

**"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.

**"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) *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.

(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) *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.
- (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 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 2026 Notes 13 March 2026 and in case of the 2030 Notes 13 March 2030. The "**Redemption Amount**" in respect of each Note shall be its principal amount.
- (2) *Early Redemption for Reasons of Taxation.* If as a 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

## § 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 2026 Schuldverschreibungen den 13. März 2026 und im Falle der 2030 Schuldverschreibungen den 13. März 2030. Der "**Rückzahlungsbetrag**" in Bezug auf jede Schuldverschreibung entspricht ihrem Nennbetrag.
- (2) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* 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 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

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

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

- (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.

**"Call Redemption Period"** means in relation to the 2026 Notes the period from, and including 13 December 2025 to, but excluding, the relevant Maturity Date and in relation to the 2030 Notes the period from, and including 13 December 2029 to, but excluding, the relevant Maturity Date.

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

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

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

- (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.

**"Wahl-Rückzahlungszeitraum (Call)"** bezeichnet in Bezug auf die 2026 Schuldverschreibungen den Zeitraum ab 13. Dezember 2025 (einschließlich) bis zum jeweiligen Fälligkeitstag (ausschließlich), in Bezug auf die 2030 Schuldverschreibungen den Zeitraum ab 13. Dezember 2029 (einschließlich) bis zum jeweiligen Fälligkeitstag (ausschließlich).

- (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.

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

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.

(4) *Early Redemption at the Option of the Issuer for Reasons of Minimal Outstanding Principal Amount.*

- (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 accrued to (but excluding) the date of such redemption.
- (b) Notice of redemption shall be given by the Issuer to the Holders of the Notes in accordance with § 12. Such notice shall specify:
  - (i) the series of Notes subject to redemption;
  - (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

- (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.

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

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

(4) *Vorzeitige Rückzahlung nach Wahl der Emittentin bei geringem ausstehendem Gesamtnennbetrag.*

- (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 bis zum Rückzahlungstag (ausschließlich) aufgelaufener Zinsen zurück zu zahlen.
- (b) Die Kündigung ist den Gläubigern der Schuldverschreibungen durch die Emittentin gemäß § 12 bekanntzugeben. Sie muss die folgenden Angaben enthalten:
  - (i) die zurückzuzahlende Serie von Schuldverschreibungen;
  - (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.

(c) Whereby:

**"Call Redemption Date (Sweep Up)"** means the date fixed for redemption of the Notes pursuant to § 5 (4) (b).

(5) *Early Redemption at the Option of the Issuer upon the occurrence of a Transaction Trigger Event.*

(a) Upon the occurrence of a Transaction Trigger Event, the Issuer may, upon notice given in accordance with clause (b), redeem all of the Notes on the Call Redemption Date at the Call Redemption Amount together with accrued interest, if any, to (but excluding) the Call Redemption Date.

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

(i) the Series of Notes subject to redemption;

(ii) the Call Redemption Date, which shall be not less than 30 days nor more than 60 days after the date on which notice of the occurrence of the Transaction Trigger Event is given by the Issuer to the Holders; and

(iii) the Call Redemption Amount at which such Notes are to be redeemed.

(c) Whereby:

**"Call Redemption Amount"** means EUR 101,000 per Specified Denomination.

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

(iii) den Betrag, zu dem die Schuldverschreibungen zurückgezahlt werden.

(c) Dabei gilt:

**"Wahl-Rückzahlungstag (Sweep Up)"** bezeichnet den Tag, der für die Rückzahlung der Schuldverschreibungen gemäß § 5 (4) (b) festgesetzt wurde.

(5) *Vorzeitige Rückzahlung nach Wahl der Emittentin bei Eintritt eines Transaktions-Ereignisses.*

(a) Die Emittentin kann, nachdem ein Transaktions-Ereignis eingetreten ist und sie gemäß Absatz (b) gekündigt hat, die Schuldverschreibungen insgesamt am Wahl- Rückzahlungstag (Call) zum Wahl- Rückzahlungsbetrag (Call), wie nachstehend angegeben, nebst etwaigen bis zum Wahl- Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen.

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

(i) die zurückzuzahlende Serie von Schuldverschreibungen;

(ii) den Wahl-Rückzahlungstag (Call), der nicht weniger als 30 Tage und nicht mehr als 60 Tage nach dem Tag der Mitteilung des Eintritts eines Transaktions-Ereignisses durch die Emittentin gegenüber den Gläubigern liegen darf;

(iii) den Wahl-Rückzahlungsbetrag (Call), zu dem die Schuldverschreibungen zurückgezahlt werden.

(c) Dabei gilt:

**"Wahl-Rückzahlungsbetrag (Call)"** bezeichnet EUR 101.000 je festgelegte Stückelung.

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

**"Transaction"** means the closing of the acquisition of all shares in Callidus Software Inc. by SAP America, Inc. until 13 November 2018.

**"Transaction Trigger Event"** means a notice given by the Issuer to the Holders in accordance with § 12 that the Transaction has been terminated prior to completion.

(6) *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 accrued to but excluding the Optional Redemption Date.

For the purposes of this option:

**"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.

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

**"Transaktion"** bezeichnet den Vollzug der Akquisition aller Aktien der Callidus Software Inc. durch SAP America, Inc. bis zum 13. November 2018.

**"Transaktions-Ereignis"** bezeichnet die Mitteilung der Emittentin an die Gläubiger gemäß § 12, dass die Transaktion vor ihrem Abschluss beendet wurde.

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

Für Zwecke dieses Wahlrechts:

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.

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

reasonable endeavours to do so and such failure is unconnected with the occurrence of the Change of Control).

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 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 (6).

In order to exercise such option, the Holder must submit during normal business hours at the specified office of the

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).

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 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 (6) genannten Wahlrechts.

Zur Ausübung dieses Wahlrechts muss der Gläubiger während der normalen Geschäftszeiten innerhalb eines

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.

## § 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:

HSBC Trinkaus & Burkhardt AG  
Königsallee 21/23  
40212 Düsseldorf  
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 city.

- (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).

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

### 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:

HSBC Trinkaus & Burkhardt AG  
Königsallee 21/23  
40212 Düsseldorf  
Deutschland

Die Emissionsstelle und die Zahlstelle behalten sich das Recht vor, jederzeit ihre bezeichneten Geschäftsstellen durch eine andere bezeichnete Geschäftsstelle in derselben Stadt 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) *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.

- (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 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 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)

## § 7 STEUERN

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

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.

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

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.

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) *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 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
- (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 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,
- (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

companies effectively assume substantially all of the assets and liabilities of the Issuer).

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 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.

(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) 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) *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.

(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 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:

## **§ 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:

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| <p>(a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes;</p> <p>(b) the Substitute Debtor has obtained all necessary authorisations 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;</p> <p>(c) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution;</p> <p>(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;</p> <p>(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</p> <p>(f) the Substitute Debtor is not a "United States person" as defined in the United States Revenue Code of 1986, as amended.</p> | <p>(a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt;</p> <p>(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;</p> <p>(c) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Gläubiger hinsichtlich solcher Steuern, Abgaben oder behördlichen Lasten freizustellen, die einem Gläubiger bezüglich der Ersetzung auferlegt werden;</p> <p>(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;</p> <p>(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</p> <p>(f) die Nachfolgeschuldnerin ist keine "United States person" wie im United States Revenue Code von 1986 in seiner jeweiligen Fassung definiert.</p> |
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For purposes of this § 10, "Affiliate" shall mean any affiliated company (*verbundenes 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.

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| <p>(2) <i>Notice</i>. Notice of any such substitution shall be published in accordance with § 12.</p> <p>(3) <i>Change of References</i>. 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</p> | <p>(2) <i>Bekanntmachung</i>. Jede Ersetzung ist gemäß § 12 bekanntzumachen.</p> <p>(3) <i>Änderung von Bezugnahmen</i>. 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</p> |
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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).

#### **§ 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 issue date, 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).

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**

##### **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) als wirksam erfolgt.

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.

- (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 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

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 der Veröffentlichung 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 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

at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**").

mindestens 75 % der abgegebenen Stimmen (die "**Qualifizierte Mehrheit**").

- (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' 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.
- (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 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) *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.
- (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) *Holders' representative.* The Holders may by majority resolution provide for the appointment or dismissal of a joint representative (the "**Holders' Representative**"), the duties and responsibilities and the powers of such Holders' Representative, the transfer of the rights of the Holders to the Holders' Representative and a limitation of liability of the Holders' Representative. Appointment of a Holders' Representative may only be passed by a Qualified Majority if such Holders' Representative is to be authorised to consent, in accordance with § 13 (2) hereof, to a material change in the substance of the Terms and Conditions.
- (6) *Publication.* Any notices concerning this § 13 shall be made exclusively pursuant to the provisions of the SchVG.
- (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) *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 authorised 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

#### § 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

foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised 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.

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.

## TERMS AND CONDITIONS FOR THE 2021 NOTES

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

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

| <b>§ 1</b><br><b>CURRENCY, DENOMINATION, FORM,</b><br><b>CERTAIN DEFINITIONS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>§ 1</b><br><b>WÄHRUNG, STÜCKELUNG, FORM,</b><br><b>BEGRIFFSBESTIMMUNGEN</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) <i>Currency; Denomination.</i> This Series of Notes (the " <b>Notes</b> ") of SAP SE (the " <b>Issuer</b> ") is being issued in Euro (the " <b>Specified Currency</b> ") in the aggregate principal amount of EUR 500,000,000 (in words: Euro five hundred million) in denominations of EUR 100,000 (the " <b>Specified Denominations</b> ").                                                                                                                                                                                                                                                                                                                                                | (1) <i>Währung; Stückelung.</i> Diese Serie der Schuldverschreibungen (die " <b>Schuldverschreibungen</b> ") der SAP SE (die " <b>Emittentin</b> ") wird in Euro (die " <b>festgelegte Währung</b> ") im Gesamtnennbetrag von EUR 500.000.000 (in Worten: Euro fünfhundert Millionen) in Stückelungen von EUR 100.000 (die " <b>festgelegten Stückelungen</b> ") begeben.                                                                                                                                                                                                                                                                                                                    |
| (2) <i>Form.</i> The Notes are being issued in bearer form.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | (2) <i>Form.</i> Die Schuldverschreibungen lauten auf den Inhaber.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| (3) <i>Temporary Global Note – Exchange.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (3) <i>Vorläufige Globalurkunde – Austausch.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| (a) The Notes are initially represented by a temporary global note (the " <b>Temporary Global Note</b> ") without interest coupons. The Temporary Global Note will be exchangeable for Notes in the Specified Denomination represented by a permanent global note (the " <b>Permanent Global Note</b> ") without interest coupons. The Temporary Global Note and the Permanent Global Note shall each be signed by authorised 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.                                                                                                 | (a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die " <b>vorläufige Globalurkunde</b> ") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird gegen Schuldverschreibungen in der festgelegten Stückelung, die durch eine Dauerglobalurkunde (die " <b>Dauerglobalurkunde</b> ") ohne Zinsscheine verbrieft sind, ausgetauscht. 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) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the " <b>Exchange Date</b> ") not later than 180 days after the Issue Date of the Notes represented by the Temporary Global Note. 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 | (b) Die vorläufige Globalurkunde wird an einem Tag (der " <b>Austauschtag</b> ") gegen die Dauerglobalurkunde ausgetauscht, der nicht mehr als 180 Tage nach dem Begebungstag der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen liegt. Der Austausch tag 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                                                 |

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 the following: Clearstream Banking AG ("CBF").
- (5) *Holder of Notes.* **"Holder"** means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes.

## § 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

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 folgendes: Clearstream Banking AG ("CBF").
- (5) *Gläubiger von Schuldverschreibungen.* **"Gläubiger"** bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den Schuldverschreibungen.

## § 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

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 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.

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 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.

**"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) *Interest Payment Dates.*

- (a) The Notes shall bear interest on their principal amount from 13 March 2018 (inclusive) (the **"Interest Commencement Date"**) to the first Interest Payment Date (exclusive) and thereafter from each Interest Payment Date (inclusive) to the next following Interest Payment Date (exclusive). Interest on the Notes shall be payable on each Interest Payment Date.

**"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 Jahresabschlusses 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) *Zinszahlungstage.*

- (a) Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag vom 13. März 2018 einschließlich (der **"Verzinsungsbeginn"**) bis zum ersten Zinszahlungstag (ausschließlich) und danach von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) verzinst. Zinsen auf die Schuldverschreibungen sind an jedem Zinszahlungstag zahlbar.

(b) **"Interest Payment Date"** means

each 13 March, 13 June, 13 September and 13 December of each year until (and including) the Maturity Date.

(c) If any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), it shall be postponed to the next day which is a Business Day.

**"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.

(2) *Rate of Interest.* The rate of interest (the **"Rate of Interest"**) for each Interest Period (as defined below) will, except as provided below, be the offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for that Interest Period which appears on the Screen Page as of 11:00 a.m. (Brussels time) on the Interest Determination Date (as defined below) plus the Margin (as defined below), all as determined by the Calculation Agent.

**"Interest Period"** means each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date.

**"Interest Determination Date"** means the second TARGET Business Day prior to the commencement of the relevant Interest Period. **"TARGET Business Day"** means a day on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET2) are operational to effect payments.

**"Margin"** means 0.150 per cent. *per annum*.

**"Screen Page"** means the Reuters screen page EURIBOR01 or the relevant successor page on that service or on any other service as may be nominated as the information vendor for the purposes of displaying rates or prices comparable to the relevant offered quotation.

(b) **"Zinszahlungstag"** bedeutet

jeder 13. März, 13. Juni, 13. September und 13. Dezember eines jeden Jahres bis zum Fälligkeitstag einschließlich.

(c) Fällt ein Zinszahlungstag auf einen Tag, der kein Geschäftstag (wie nachstehend definiert) ist, so wird dieser Tag auf den nachfolgenden Geschäftstag verschoben.

**"Geschäftstag"** 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.

(2) *Zinssatz.* Der Zinssatz (der **"Zinssatz"**) für jede Zinsperiode (wie nachstehend definiert) ist, sofern nachstehend nichts Abweichendes bestimmt wird, der Angebotssatz (ausgedrückt als Prozentsatz *per annum*) für Einlagen in der festgelegten Währung für die jeweilige Zinsperiode, der auf der Bildschirmseite am Zinsfestlegungstag (wie nachstehend definiert) um ca. 11:00 Uhr (Brüsseler Ortszeit) angezeigt wird zuzüglich der Marge (wie nachstehend definiert), wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

**"Zinsperiode"** bezeichnet jeweils den Zeitraum ab dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) bzw. ab jedem Zinszahlungstag (einschließlich) bis zum jeweils darauffolgenden Zinszahlungstag (ausschließlich).

**"Zinsfestlegungstag"** bezeichnet den zweiten TARGET Geschäftstag vor Beginn der jeweiligen Zinsperiode. **"TARGET-Geschäftstag"** bezeichnet einen Tag, an dem alle betroffenen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) betriebsbereit sind, um Zahlungen abzuwickeln.

Die **"Marge"** beträgt 0,150 % *per annum*.

**"Bildschirmseite"** bedeutet Reuters Bildschirmseite EURIBOR01 oder die jeweilige Nachfolgeside, die vom selben System angezeigt wird oder aber von einem anderen System, das zum Vertreiber von Informationen zum Zwecke der Anzeigen von Sätzen oder Preisen ernannt wurde,

If the Screen Page is not available or no such quotation appears at such time, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the relevant Interest Period and in a representative amount to prime banks in the interbank market in the Euro-Zone at approximately 11:00 a.m. (Brussels time) on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations plus the Margin, all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by major banks in the interbank market in the Euro-Zone, selected by the Calculation Agent acting in good faith, at which such banks offer, as at 11:00 a.m. (Brussels time) on the relevant Interest Determination Date, loans in the Specified Currency for the relevant Interest Period and in a representative amount to leading European banks plus the Margin.

In case no rates are communicated to the Calculation Agent by major banks in the interbank market in the Euro-Zone, the Rate of Interest shall be equal to the rate determined on the preceding Interest Determination Date.

**"Reference Banks"** means four major banks in the interbank market in the Euro-Zone.

die mit dem betreffenden Angebotssatz vergleichbar sind.

Sollte die Bildschirmseite nicht zur Verfügung stehen oder wird zu der genannten Zeit kein Angebotssatz angezeigt, wird die Berechnungsstelle von den Referenzbanken (wie nachstehend definiert) deren jeweilige Angebotssätze (jeweils als Prozentsatz *per annum* ausgedrückt) für Einlagen in der festgelegten Währung für die betreffende Zinsperiode und über einen repräsentativen Betrag gegenüber führenden Banken im Interbanken-Markt in der Euro-Zone um ca. 11:00 Uhr (Brüsseler Ortszeit) am Zinsfestlegungstag anfordern. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Zinssatz für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Tausendstel Prozent, wobei 0,0005 aufgerundet wird) dieser Angebotssätze zuzüglich der Marge, wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Falls an einem Zinsfestlegungstag nur eine oder keine der Referenzbanken der Berechnungsstelle die im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Zinssatz für die betreffende Zinsperiode der Satz *per annum*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Tausendstel Prozent, wobei 0,0005 aufgerundet wird) der Angebotssätze ermittelt, die von der Berechnungsstelle in angemessener Sorgfalt ausgewählten Großbanken im Interbanken-Markt in der Euro-Zone der Berechnungsstelle auf deren Anfrage als den jeweiligen Satz nennen, zu dem sie um ca. 11:00 Uhr (Brüsseler Ortszeit) an dem betreffenden Zinsfestlegungstag Darlehen in der festgelegten Währung für die betreffende Zinsperiode und über einen repräsentativen Betrag gegenüber führenden europäischen Banken anbieten zuzüglich der Marge.

Für den Fall, dass keine Angebotssätze von ausgewählten Großbanken im Interbanken-Markt in der Euro-Zone an die Berechnungsstelle genannt werden, gilt der Zinssatz, der zum vorhergehenden Zinsfestlegungstag bestimmt wurde.

**"Referenzbanken"** bezeichnet vier Großbanken im Interbanken-Markt in der Euro-Zone.

"**representative amount**" means an amount that is representative for a single transaction in the relevant market at the relevant time.

"**Euro-Zone**" means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, and will not have withdrawn from, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992), the Amsterdam Treaty of 2 October 1997 and the Treaty of Lisbon of 13 December 2007, as further amended from time to time.

(3) *Minimum Rate of Interest.*

If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is less than 0 per cent., the Rate of Interest for such Interest Period shall be 0 per cent.

(4) *Interest Amount.* The Calculation Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, calculate the amount of interest (the "**Interest Amount**") payable on the Notes in respect of the Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to the Specified Denomination and rounding the resultant figure to the nearest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.

(5) *Notification of Rate of Interest and Interest Amount.* The Calculation Agent will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and to the Holders in accordance with § 12 as soon as possible after their determination, but in no event later than the fourth TARGET Business Day (as defined in § 3 (2)) thereafter and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange as soon as possible after their determination, but in no event later than the first day of the relevant Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the

"**repräsentativer Betrag**" bedeutet ein Betrag, der zu der jeweiligen Zeit in dem jeweiligen Markt für eine einzelne Transaktion repräsentativ ist.

"**Euro-Zone**" bezeichnet das Gebiet derjenigen Mitgliedstaaten der Europäischen Union, die gemäß dem Vertrag über die Gründung der Europäischen Gemeinschaft (unterzeichnet in Rom am 25. März 1957), geändert durch den Vertrag über die Europäische Union (unterzeichnet in Maastricht am 7. Februar 1992), den Amsterdamer Vertrag vom 2. Oktober 1997 und den Vertrag von Lissabon vom 13. Dezember 2007, in seiner jeweiligen Fassung, eine einheitliche Währung eingeführt haben oder eingeführt haben werden und nicht wieder abgeschafft haben werden.

(3) *Mindestzinssatz.*

Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz niedriger ist als 0 %, so ist der Zinssatz für diese Zinsperiode 0 %.

(4) *Zinsbetrag.* Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Zeitpunkt, an dem der Zinssatz zu bestimmen ist, den auf die Schuldverschreibungen zahlbaren Zinsbetrag in Bezug auf die festgelegte Stückelung (der "**Zinsbetrag**") für die entsprechende Zinsperiode berechnen. Der Zinsbetrag wird ermittelt, indem der Zinssatz und der Zinstagequotient (wie nachstehend definiert) auf die festgelegte Stückelung angewendet werden, wobei der resultierende Betrag auf die kleinste Einheit der festgelegten Währung auf- oder abgerundet wird, wobei 0,5 solcher Einheiten aufgerundet werden.

(5) *Mitteilung von Zinssatz und Zinsbetrag.* Die Berechnungsstelle wird veranlassen, dass der Zinssatz, der Zinsbetrag für die jeweilige Zinsperiode, die jeweilige Zinsperiode und der relevante Zinszahlungstag der Emittentin sowie den Gläubigern gemäß § 12 baldmöglichst nach ihrer Feststellung, aber keinesfalls später als am vierten auf die Berechnung jeweils folgenden TARGET Geschäftstag (wie in § 3 (2) definiert) sowie jeder Börse, an der die betreffenden Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, baldmöglichst nach ihrer Feststellung, aber keinesfalls später als am ersten Tag der jeweiligen Zinsperiode mitgeteilt werden. Im Fall einer Verlängerung oder Verkürzung der Zinsperiode können der mitgeteilte Zinsbetrag und

event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes are then listed and to the Holders in accordance with § 12.

Zinszahlungstag ohne Vorankündigung nachträglich angepasst (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend allen Börsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt notiert sind, sowie den Gläubigern gemäß § 12 mitgeteilt.

(6) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent, the Paying Agent and the Holders.

(6) *Verbindlichkeit der Festsetzungen.* Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieses § 3 gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Emissionsstelle, die Zahlstelle und die Gläubiger bindend.

(7) *Accrual of Interest.* If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding 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>.

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

(8) *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 Period**"): the actual number of days in the Calculation Period divided by 360.

(8) *Zinstagequotient.* "**Zinstagequotient**" bezeichnet im Hinblick auf die Berechnung des Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**"): die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch 360.

#### § 4 PAYMENTS

#### § 4 ZAHLUNGEN

(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.

(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) *Payment of Interest.* Payment of interest on Notes shall be made, subject to subparagraph (2), to the Clearing System or (if applicable)

(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

<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 Bürgerliches Gesetzbuch.

to its order for credit to the relevant account holders of the Clearing System.

Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.

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).

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) *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.

(2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in der festgelegten Währung.

(3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(3) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.

(4) *Payment Day.* If the date for payment of any amount in respect of any Note is not a 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.

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

(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.

(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) *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.

(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  
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 Interest Payment Date falling in March 2021 (the "**Maturity Date**"). The "**Redemption Amount**" in respect of each Note shall be its principal amount.
- (2) *Early Redemption for Reasons of Taxation.* If as a 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.

§ 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 in den März 2021 fallenden Zinszahlungstag (der "**Fälligkeitstag**") zurückgezahlt. Der "**Rückzahlungsbetrag**" in Bezug auf jede Schuldverschreibung entspricht ihrem Nennbetrag.
- (2) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* 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 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

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. The date fixed for redemption must be an Interest Payment Date.

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

(3) *Early Redemption at the Option of the Issuer for Reasons of Minimal Outstanding Principal Amount.*

(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 accrued to (but excluding) the date of such redemption.

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

- (i) the Series of Notes subject to redemption;
- (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

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. Der für die Rückzahlung festgelegte Termin muss ein Zinszahlungstag sein.

Eine solche Kündigung hat gemäß § 12 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

(3) *Vorzeitige Rückzahlung nach Wahl der Emittentin bei geringem ausstehendem Gesamtnennbetrag.*

(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 bis zum Rückzahlungstag (ausschließlich) aufgelaufener Zinsen zurück zu zahlen.

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

- (i) die zurückzuzahlende Serie von Schuldverschreibungen;
- (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:                                                                                                                                                                                                                                                                                                                                                |
| <p><b>"Call Redemption Date (Sweep Up)"</b> means the date fixed for redemption of the Notes pursuant to § 5(3)(b).</p>                                                                                                                                                                         | <p><b>"Wahl-Rückzahlungstag (Sweep Up)"</b> bezeichnet den Tag, der für die Rückzahlung der Schuldverschreibungen gemäß § 5(3)(b) festgesetzt wurde.</p>                                                                                                                                                                                                       |
| (4) <i>Early Redemption at the Option of the Issuer upon the occurrence of a Transaction Trigger Event.</i>                                                                                                                                                                                     | (4) <i>Vorzeitige Rückzahlung nach Wahl der Emittentin bei Eintritt eines Transaktions- Ereignisses.</i>                                                                                                                                                                                                                                                       |
| (a) Upon the occurrence of a Transaction Trigger Event, the Issuer may, upon notice given in accordance with clause (b), redeem all of the Notes on the Call Redemption Date at the Call Redemption Amount together with accrued interest, if any, to (but excluding) the Call Redemption Date. | (a) Die Emittentin kann, nachdem ein Transaktions-Ereignis eingetreten ist und sie gemäß Absatz (b) gekündigt hat, die Schuldverschreibungen insgesamt am Wahl- Rückzahlungstag (Call) zum Wahl- Rückzahlungsbetrag (Call), wie nachstehend angegeben, nebst etwaigen bis zum Wahl- Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen. |
| (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, which shall be not less than 30 days nor more than 60 days after the date on which notice of the occurrence of the Transaction Trigger Event is given by the Issuer to the Holders; and                                                                          | (ii) den Wahl-Rückzahlungstag (Call), der nicht weniger als 30 Tage und nicht mehr als 60 Tage nach dem Tag der Mitteilung des Eintritts eines Transaktions- Ereignisses durch die Emittentin gegenüber den Gläubigern liegen darf;                                                                                                                            |
| (iii) the Call Redemption Amount at which such Notes are to be redeemed.                                                                                                                                                                                                                        | (iii) den Wahl-Rückzahlungsbetrag (Call), zu dem die Schuldverschreibungen zurückgezahlt werden.                                                                                                                                                                                                                                                               |
| (c) Whereby:                                                                                                                                                                                                                                                                                    | (c) Dabei gilt:                                                                                                                                                                                                                                                                                                                                                |
| <p><b>"Call Redemption Amount"</b> means EUR 101,000 per Specified Denomination.</p>                                                                                                                                                                                                            | <p><b>"Wahl-Rückzahlungsbetrag (Call)"</b> bezeichnet EUR 101.000 je festgelegte Stückelung.</p>                                                                                                                                                                                                                                                               |
| <p><b>"Call Redemption Date"</b> means the date fixed for redemption of the Notes pursuant to § 5 (4) (b).</p>                                                                                                                                                                                  | <p><b>"Wahl-Rückzahlungstag (Call)"</b> bezeichnet den Tag, der für die Rückzahlung der Schuldverschreibungen gemäß § 5 (4) (b) festgesetzt wurde.</p>                                                                                                                                                                                                         |
| <p><b>"Transaction"</b> means the closing of the acquisition of all shares in Callidus Software Inc. by SAP America, Inc. until 13 November 2018.</p>                                                                                                                                           | <p><b>"Transaktion"</b> bezeichnet den Vollzug der Akquisition aller Aktien der Callidus Software Inc. durch SAP America, Inc. bis zum 13 November 2018.</p>                                                                                                                                                                                                   |

**"Transaction Trigger Event"** means a notice given by the Issuer to the Holders in accordance with § 12 that the Transaction has been terminated prior to completion.

(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)) to require the Issuer to redeem the Notes held by him on the Optional Redemption Date at the Redemption Amount together with interest accrued to but excluding the Optional Redemption Date.

For the purposes of this option:

**"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;

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

**"Transaktions-Ereignis"** bezeichnet die Mitteilung der Emittentin an die Gläubiger gemäß § 12, dass die Transaktion vor ihrem Abschluss beendet wurde.

(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) angezeigt hat), die Rückzahlung seiner Schuldverschreibungen durch die Emittentin zum Rückzahlungsbetrag, zuzüglich aufgelaufener Zinsen bis zum Wahl-Rückzahlungstag (ausschließlich), zu verlangen.

Für Zwecke dieses Wahlrechts:

**"Rating Agentur"** bedeutet 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;

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

to do so and such failure is unconnected with the occurrence of the Change of Control);

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 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; and

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).

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);

Gilt ein "**Kontrollwechsel**" jedes Mal als eingetreten, wenn eine Person oder mehrere Personen (die "**relevante(n) Person(en)**"), die im Sinne von § 34 (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 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; und

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

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.

#### § 6

##### FISCAL AGENT, PAYING AGENT AND CALCULATION AGENT

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

Fiscal Agent and Paying Agent:

HSBC Trinkaus & Burkhardt AG  
Königsallee 21/23  
40212 Düsseldorf  
Germany

Calculation Agent:

HSBC Trinkaus & Burkhardt AG  
Königsallee 21/23  
40212 Düsseldorf  
Germany

The Fiscal Agent, the Paying Agent and the Calculation Agent reserves the right at any time to change their respective specified offices to some other specified offices in the same city.

- (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 or the Calculation Agent and to

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

##### DIE EMISSIONSSTELLE, DIE ZAHLSTELLE UND DIE BERECHNUNGSSTELLE

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

Emissions- und Zahlstelle:

HSBC Trinkaus & Burkhardt AG  
Königsallee 21/23  
40212 Düsseldorf  
Deutschland

Berechnungsstelle:

HSBC Trinkaus & Burkhardt AG  
Königsallee 21/23  
40212 Düsseldorf  
Deutschland

Die Emissionsstelle, die Zahlstelle und die Berechnungsstelle behalten sich das Recht vor, jederzeit ihre bezeichneten Geschäftsstellen durch eine andere bezeichnete Geschäftsstelle in derselben Stadt zu ersetzen.

- (2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Emissionsstelle oder einer Zahlstelle oder der Berechnungsstelle zu ändern

appoint another Fiscal Agent or additional or other Paying Agents or another Calculation Agent. The Issuer shall at all times maintain (i) a Fiscal Agent and (ii) a Calculation 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, the Paying Agent and the Calculation 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 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

oder zu beenden und eine andere Emissionsstelle oder zusätzliche oder andere Zahlstellen oder eine andere Berechnungsstelle zu bestellen. Die Emittentin wird zu jedem Zeitpunkt (i) eine Emissionsstelle unterhalten und (ii) eine Berechnungsstelle 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, die Zahlstelle und die Berechnungsstelle 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 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

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.

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.

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.

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(1) Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt.

**§ 9**  
**EVENTS OF DEFAULT**

- (1) *Events of Default.* Each Holder shall be entitled to declare his Notes due 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 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

**§ 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 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 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.

(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) 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) *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 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 authorisations 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, 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

- (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, 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

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.

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

## § 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

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.

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

(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

### BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, ANKAUF UND ENTWERTUNG

(1) *Begebung weiterer Schuldverschreibungen*. Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere

Notes in all respects (or in all respects except for the issue date, 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).

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.

- (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 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.

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) 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 der Veröffentlichung 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 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

#### 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' 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

### § 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 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

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

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

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) *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 authorised 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 authorised 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 "SE Regulation"), 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; "SE-AG") of 22 December 2004, and the German Stock Corporation Act (Aktiengesetz). SAP SE is registered in the Commercial Register (Handelsregister) at the Lower Court of Mannheim, Germany, under the entry number HRB 719915. Our legal corporate and our commercial name is "SAP SE".

SAP SE traces its roots back to the year 1972. It was founded as a limited liability corporation (Gesellschaft mit beschränkter Haftung) under the laws of Germany on 24 October 1976. In 1988 SAP became a stock corporation (Aktiengesellschaft). At the Annual General Meeting of Shareholders on 21 May 2014, SAP shareholders approved the conversion of the Company's legal form to a European Company (Societas Europaea, SE). The conversion became effective when it was entered in the commercial register on 7 July 2014. Since that date, the Company's legal form is SAP SE. Where the context requires in the discussion below, SAP SE refers to our 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).

The ordinary shares of SAP SE 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, the Dow Jones EURO STOXX 50, and the Dow Jones Sustainability Indexes.

Our 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.

### Object of the Issuer

SAP SE's Articles of Incorporation state in section 2 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 authorised to act in all the business areas listed above and to delegate such activities to affiliated entities within the meaning of sections 15 *et seq.* of the German Stock Corporation Act; in particular SAP SE is authorised to delegate its business in whole or in part to such entities. SAP SE is authorised 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 authorised to invest in enterprises of all kinds principally for investment purposes. SAP SE is authorised 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 and its antecessors have been the responsible auditors of SAP SE since 2002 and KPMG has audited the consolidated financial statements of SAP SE and its subsidiaries for the fiscal years ended on 31 December 2016 and 2017 and has, in each case, issued an unqualified auditor's report.

## **Business description**

### **Overview**

Founded in 1972, SAP is the market leader in enterprise application software (according to Gartner Market Share: All Software Markets, Worldwide, 2016) and also the leading analytics and business intelligence company (according to Gartner Market Share Analysis: Analytics and BI Software, 2016). Enterprise application software is computer software specifically developed to support and automate business processes. Globally, more than 76 per cent. of all transaction revenue touches an SAP system (according to SAP). In 2017, SAP was ranked as the most sustainable software company in the Dow Jones Sustainability Index for the eleventh consecutive year. With more than 378,000 customers in more than 180 countries, the SAP Group has a global presence and employs more than 88,000 people.

SAP drives innovation in numerous fields of the digital economy by using technology such as Internet of Things, machine learning, and artificial intelligence.

### **SAP's Strategy**

Unprecedented digital disruption is transforming societies globally and changing how we work and interact with each other. Innovations in technology, such as the Internet of Things (IoT), Big Data, blockchain, artificial intelligence and machine learning, are disrupting entire industries.

In 2017, IDC (International Data Corporation), a U.S.-based market research firm, observed "tremendous" momentum and influence of digital transformation on technology spending worldwide, spanning all geographies and industries (according to IDC FutureScape: Worldwide Digital Transformation 2018 Predictions, Doc #US43154617, October 2017). Digital transformation became the source of innovation and creativity for new business models, many of which were subscription/cloud based (according to IDC Market Forecast: Software License, Maintenance & Subscription Forecast, 2017-2021, Doc #US42825517, July 2017).

Technological innovation is necessary to tackle some of the world's most intractable problems, which are often driven by complexity and require innovative solutions which SAP can provide.

Our strategy to be the most innovative cloud company, powered by SAP HANA, focuses on how we can help our customers innovate faster and drive successful business outcomes.

SAP software and technologies is targeted to deliver deep value to our customers by providing the tools to harness the power of the data flowing through their systems. Our vision for the intelligent enterprise is an event-driven, real-time business powered by intelligent applications and platforms. In this vision, enterprise data sits at the core of a virtuous cycle whereby:

- Enterprises will combine proprietary data assets from their internal systems of record with real-time, external data feeds to train intelligent algorithms.
- Intelligent algorithms will be embedded into core business processes to enable enterprises to increase their awareness of events and respond in real time.

– As the cycle repeats itself, enterprises will produce even richer datasets based on business outcomes that can be used to train the next generation of increasingly intelligent algorithms.

By embedding intelligence in core processes, businesses of all sizes will benefit from the automation of routine tasks and improved decision-making driven by advanced analytics.

Combining intelligent algorithms with empowered employees shall allow companies to free up scarce resources to focus on their main business.

### **Organizational Structure**

As at 31 December 2017, SAP SE directly or indirectly controlled a worldwide group of 227 subsidiaries that develop, distribute, and provide our products, solutions, and services.

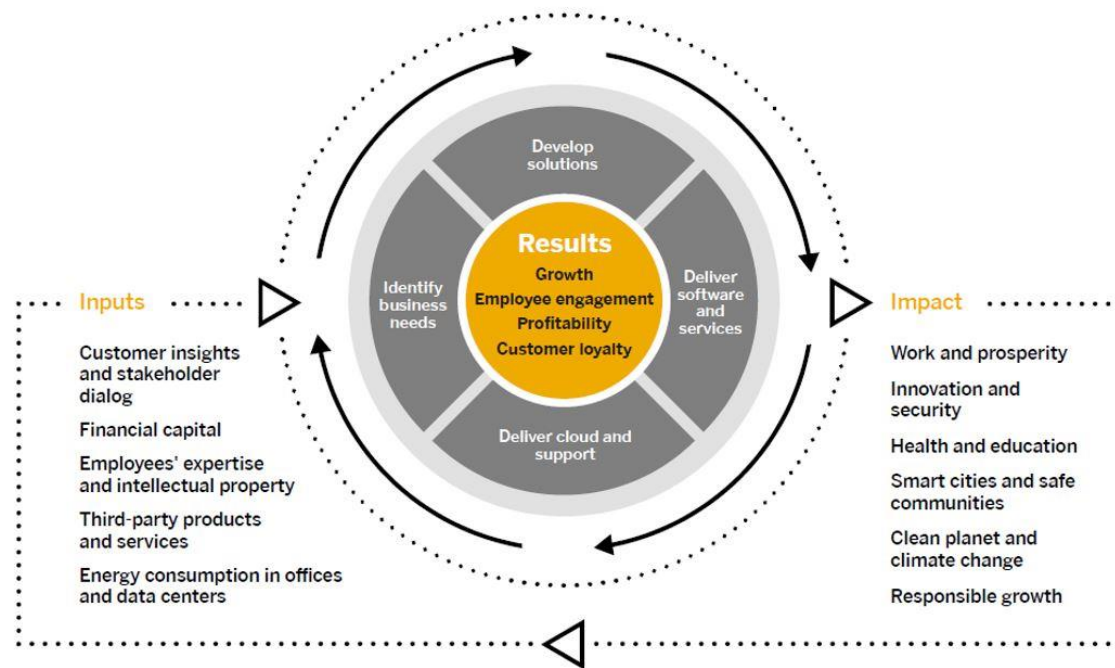
The following table sets forth our most significant subsidiaries based on total revenues of SAP group in 2017. All of these subsidiaries are wholly owned by SAP SE.

| <b>Name of Subsidiary</b>                                                     | <b>Country of Incorporation</b> |
|-------------------------------------------------------------------------------|---------------------------------|
| <b>Germany</b>                                                                |                                 |
| SAP Deutschland SE & Co. KG, Walldorf                                         | Germany                         |
| <b>Rest of EMEA</b>                                                           |                                 |
| SAP France, Levallois Perret                                                  | France                          |
| SAP (UK) Limited, Feltham                                                     | United Kingdom                  |
| SAP (Schweiz) AG, Biel                                                        | Switzerland                     |
| SAP Nederland B.V., 's-Hertogenbosch                                          | The Netherlands                 |
| SAP Italia Sistemi Applicazioni Prodotti in Data Processing S.p.A., Vimercate | Italy                           |
| LLC SAP CIS, Moscow                                                           | Russia                          |
| <b>United States</b>                                                          |                                 |
| SAP America, Inc., Newtown Square                                             | United States                   |
| Concur Technologies, Inc., Bellevue                                           | United States                   |
| Ariba, Inc., Palo Alto                                                        | United States                   |
| SuccessFactors, Inc., South San Francisco                                     | United States                   |
| SAP Industries, Inc., Newtown Square                                          | United States                   |
| <b>Rest of Americas</b>                                                       |                                 |
| SAP Canada, Inc., Toronto                                                     | Canada                          |
| SAP Brasil Ltda, São Paulo                                                    | Brazil                          |
| <b>Japan</b>                                                                  |                                 |
| SAP Japan Co., Ltd., Tokyo                                                    | Japan                           |
| <b>Rest of APJ</b>                                                            |                                 |
| SAP China Co., Ltd., Shanghai                                                 | China                           |
| SAP Australia Pty Ltd., Sydney                                                | Australia                       |
| SAP India Private Limited, Bangalore                                          | India                           |

### **Business Model**

Our business is to create value by identifying the business needs of our customers and addressing these with innovative software, service and support solutions. The collaboration with our customers and partners throughout this process helps us continuously improve our solutions and deliver enhanced value to our customers.

Our value creation process does not happen in a vacuum. It is enabled by external inputs and value drivers and leads to significant impact at our customers and – through them – in the world.



## **Revenue by region**

### *EMEA Region*

In 2017, the EMEA region generated €10,415 million in revenue (2016: €9,755 million), which was 44 per cent. of total revenue (2016: 44 per cent.). This represents a year-over-year increase of 7 per cent.. Revenue in Germany increased 10 per cent. to €3,352 million in 2017 (2016: €3,034 million). Germany contributed 32 per cent. (2016: 31 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 €8,759 million (2016: €8,193 million). That was 84 per cent. of all revenue from the region (2016: 84 per cent.).

Cloud subscriptions revenue in the EMEA region rose 46 per cent. to €1,029 million in 2017 (2016: €703 million). This increase reflects a 48 per cent. increase from changes in volumes and prices and a 2 per cent. decrease from currency effects. Software licenses and software support revenue rose 3 per cent. to €7,731 million in 2017 (2016: €7,489 million). This growth reflects a 3 per cent. increase from changes in volumes and prices and a currency effect of 0 per cent..

### *Americas Region*

In 2017, 40 per cent. of our total revenue was generated in the Americas region (2016: 40 per cent.). Total revenue in the Americas region increased 5 per cent. to €9,347 million; revenue generated in the United States increased 4 per cent. to €7,436 million. The revenue growth in the United States reflects a 6 per cent. increase from changes in volumes and prices and a negative currency effect of 2 per cent.. The United States contributed 80 per cent. (2016: 80 per cent.) of all revenue generated in the Americas region. In the remaining countries of the Americas region, revenue increased 8 per cent. to €1,911 million. This increase reflects a 9 per cent. increase from changes in volumes and prices and a 1 per cent. decrease from currency effects. 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 €7,666 million (2016: €7,366 million). That was 82 per cent. of all revenue from the region (2016: 82 per cent.).

Cloud subscriptions revenue in the Americas region rose 16 per cent. to €2,321 million in 2017 (2016: €2,000 million); this includes a negative currency effect of 2 per cent.. Software licenses and software support revenue was €5,345 million in 2017 (2016: €5,366 million).

## *APJ Region*

In 2017, 16 per cent. (2016: 15 per cent.) of our total revenue was generated in the APJ region. Total revenue in the APJ region increased 10 per cent. to €3,699 million. This growth reflects a 12 per cent. increase from changes in volumes and prices and a 2 per cent. decrease from currency effects. In Japan, revenue increased 7 per cent. to €885 million. Revenue from Japan was 24 per cent. (2016: 24 per cent.) of all revenue generated in the APJ region. The revenue growth in Japan was attributable to a 13 per cent. increase from changes in volumes and prices and a 6 per cent. decrease from currency effects. In the remaining countries of the APJ region, revenue increased 10 per cent.. Revenue in the remaining countries of the APJ region was generated primarily in Australia, India, and China. Cloud and software revenue in the APJ region totaled €3,124 million in 2017 (2016: €2,865 million). That was 84 per cent. of all revenue from the region (2016: 85 per cent.).

Cloud subscriptions revenue in the APJ region rose 45 per cent. to €419 million in 2017 (2016: €290 million). This increase reflects a 47 per cent. increase from changes in volumes and prices and a 2 per cent. decrease from currency effects. Software licenses and software support revenue rose 5 per cent. to €2,705 million in 2017 (2016: €2,575 million). This increase reflects an 8 per cent. increase from changes in volumes and prices and a 3 per cent. decrease from currency effects.

## **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 2017, 2016, and 2015 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 subscriptions and support revenues are less subject to seasonality.

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

### **1. Digital Platform**

#### **SAP HANA**

SAP HANA is our flagship in-memory database. It enables businesses to process and analyze live data and make business decisions based on the most up-to-date information, a requirement of today's digital economy. The innovative architecture in SAP HANA allows both transactional processing for data capture and retrieval, and analytical processing for business intelligence and reporting. It reduces time-consuming database and data management tasks and underpins intelligent applications that use advanced analytic processing. It includes features such as text analysis, multitenant database containers to support multiple isolated databases in a single SAP HANA system, as well as external machine learning libraries.

#### **SAP Data Hub**

In September 2017, SAP launched SAP Data Hub. The solution enables businesses to manage data from numerous sources, SAP or third-party, without having to centralise data into one location. SAP Data Hub allows users to process data "in flow," for example, while the data is being recorded to the data store, or while they are preparing the data for use in machine learning. It also provides enterprise data governance to see who changed or accessed the data. The solution lets companies safely and effectively move and share their data to enable agile data operations across the enterprise. SAP Data Hub is also part of the SAP Leonardo Data Intelligence capability.

#### **SAP Cloud Platform**

In the digital economy, companies need both standard applications and a highly flexible platform that allows them to:

- Extend and customize cloud and on-premise SAP applications

- Develop new applications for different processes
- Integrate cloud and on-premise applications

SAP Cloud Platform is an enterprise platform as a service (PaaS), an environment where companies can build, test, run, manage, and expand software applications in the cloud. It offers comprehensive capabilities to help business users and developers create better, more agile applications in less time. Customers can apply, among other things, mobile services, advanced analytic tools, state-of-the-art authentication mechanisms, and social functionality. For maximum flexibility, portability, and agility, we use open source technologies. SAP Cloud Platform enables businesses to connect and integrate best-of-breed applications to our digital core and to custom-built solutions.

### ***Multi-Cloud Strategy***

SAP Cloud Platform allows customers to choose from a selection of infrastructure-as-a-service (IaaS) providers, and today many enterprise customers are choosing more than one provider. SAP has partnered with Amazon, Google, and Microsoft so that our customers have the choice of running their applications in an SAP or a third-party data center, or in a combination thereof.

### **SAP BW/4HANA**

SAP BW/4HANA is a data warehouse solution built entirely on SAP HANA. It offers a unique real-time analytics layer, which can query the database directly, instead of processing data at the application layer like traditional analytical engines do. It integrates data from across an organization to deliver key business intelligence. SAP BW/4HANA provides customers with enhanced data modelling and governance, so that they can manage the availability, integrity, and security of their data. The solution can be connected to various data sources, including SAP or unstructured third-party data, such as Hadoop.

## **2. Intelligent Systems**

### **SAP Leonardo**

The SAP Leonardo digital innovation system enables customers to make business sense and opportunity of disruptive technologies, such as advanced analytics, Big Data, Internet of Things (IoT), and machine learning. It does so with a proven methodology that brings together the customer vision, SAP's process and industry knowledge, and our software capabilities. SAP Cloud Platform provides the environment for applications to consume these disruptive technologies.

### ***SAP Leonardo Machine Learning***

Machine learning allows companies to augment human capabilities and automate repetitive tasks. The technology is an essential part of the SAP Leonardo digital innovation system, empowering enterprises to improve processes. Currently, several SAP Leonardo Machine Learning solutions are in productive use. We have already embedded machine learning capabilities into a wide range of applications across the SAP portfolio. Customers can also build their own machine learning models using SAP Leonardo Machine Learning Foundation.

### ***SAP Leonardo Blockchain***

Blockchain technology is a distributed digital ledger where transactions can be securely shared among independent parties. It is most familiar as the underlying technology for cryptocurrencies but it has the potential to be the foundation for a new type of collaborative business. We intend to use blockchain technology to build a new generation of transactional applications that retain their trustworthiness and transparency even when used by multiple parties and business networks. We also encourage customers to use our SAP Leonardo Blockchain technology to build blockchain solutions for their specific business needs.

### ***SAP Leonardo Internet of Things***

The proliferation of intelligent devices with sensors and ubiquitous connectivity, aptly named the Internet of Things (IoT) has led to an upsurge of connected things, from washing machines to airplane engines and oil rigs. The data

generated from these "things" is processed either near the point of origin or in the cloud, and can be the catalyst for digital transformation as companies use this data to improve their business processes. With SAP Leonardo IoT capabilities, we enable companies to optimize their business processes by connecting things to people and processes. We help companies to collaborate with business partners on digital twins – digital replicas of connected things that change and are updated when the physical counterpart changes. SAP Leonardo IoT also enables organizations to design innovative business models, and create new work environments and connected user experiences.

### ***SAP Leonardo Innovation Services***

SAP Leonardo Innovation Services provide a guided approach to digital transformation. They use design thinking methods to help identify and test new digital business models – and offer a fast, low-risk path to SAP Leonardo adoption. There are three service editions to choose from: The express edition provides fast implementation of predefined use cases. The open innovation edition helps users create a new solution for their specific business challenge. The enterprise edition extends the scope of the open innovation edition. It includes services and empowerment sessions to help create multiple business-specific solutions in parallel.

### **SAP Analytics Cloud**

SAP Analytics Cloud leverages the inherent intersection of business intelligence (BI), planning, and predictive analytics to deliver new capabilities such as simulation and automated discovery in BI, as well as storytelling and predicted forecasts in planning. The solution allows organizations to close the gap between transactions, data preparation, analysis, and action. SAP Analytics solutions allow customers to take advantage of high-speed innovation in the cloud, while using their existing on-premise investments. To enable a smooth transition to the cloud, the SAP Analytics Hub solution, built on SAP Cloud Platform, is designed to centralize access to all analytics from SAP and third-party applications and platforms.

## **3. The Intelligent Cloud Suite**

### **SAP S/4HANA**

SAP S/4HANA is our enterprise resource planning (ERP) suite for the intelligent enterprise. Three years after its introduction, over 7,900 customers have chosen the suite to support their digital transformation. It enables businesses to access and analyse data in real time, giving them insights to act in the moment, providing predictive suggestions, and connecting business functions and the people within them. SAP S/4HANA software spans across all business functions including finance, human resources, sales, service, procurement, manufacturing, asset management, supply chain, and R&D.

#### ***Flexible Deployment***

SAP S/4HANA is developed first for the cloud, and can be delivered as a software-as-a-service (SaaS) solution, on premise, in a private cloud, or as a hybrid deployment. All consumption options are compatible, so that organizations have the flexibility to implement SAP S/4HANA to meet their exact needs. SAP S/4HANA Cloud provides SaaS qualities such as scalability as well as quarterly innovation updates. On-premise customers receive the same updates but on an annual update cycle.

#### ***Real Time***

SAP S/4HANA is built specifically to take advantage of in-memory computing with SAP HANA. SAP S/4HANA reduces both the complexity of the data model and the data footprint. It enables SAP S/4HANA solutions to process huge amounts of data in real time and end users can flexibly change their perspective of the data. This not only saves time and costs for our customers but also delivers a new interactive experience and new business insights. SAP S/4HANA empowers business users to act in the moment, as they have immediate access to information at the most granular level to help make better, more informed decisions.

## ***Machine Learning***

In 2017, we delivered SAP S/4HANA with innovations that utilize SAP Leonardo machine learning services. Routine business processes can now be automated by eliminating inefficient manual process steps, such as matching payments to invoices. This increase in automation increases productivity by allowing users to focus on higher value tasks. Machine learning also helps users by providing information that is relevant to the current task, so they can quickly identify areas requiring attention and action.

## ***Integrated and Extendable***

SAP S/4HANA is built with an open architecture and connects to the entire SAP portfolio and beyond. The new SAP S/4HANA Cloud software development kit (SDK) allows our cloud and on-premise customers, as well as partners, to innovate quickly and easily on SAP Cloud Platform while leveraging the capabilities of their digital core. As part of the open architecture, the SDK provides all the necessary APIs, libraries, and project templates needed to develop extension applications on SAP S/4HANA so customers can get going quickly.

## **Supply Chain Management**

To meet the rising expectations of today's discerning, tech-savvy customer, companies need to respond quickly and accurately to their demands, which means creating responsive and distributed manufacturing and supply chain networks. SAP solutions enable customers to set up a real digital supply chain that provides real-time visibility into manufacturing, logistics, and how their assets are operating, enabling them to optimize maintenance and service schedules.

## ***Integrated Business Planning***

The SAP Integrated Business Planning solution is powered by SAP HANA, and delivers real-time supply chain planning capabilities for sales and operations, demand and supply planning, and inventory optimization in the cloud. It provides the necessary information to make business decisions using embedded analytics, simulation, prediction, and decision support. Individual SAP Integrated Business Planning applications can be used with the established user interface from SAP Fiori or with a Microsoft Excel plug-in, allowing users to run optimization scenarios directly in their spreadsheets.

## **4. Small and Midsize Enterprises (SMEs)**

SAP also offers a portfolio of solutions that extends the power of SAP HANA to support SMEs with their digital transformation.

## **SAP Business ByDesign**

SAP Business ByDesign is a cloud-based ERP solution for midsize companies that uses the power of SAP HANA. It gives fast-growing midmarket businesses the platform to scale up their operations and compete in their markets without complexity or high costs. The solution connects every function across a company to time-tested best practices and in-depth analytics. As an integrated suite across all key business functions, it also enables the growing ecosystem of SAP's third-party partners to develop additional content for customers using their domain-specific expertise.

## **SAP Business One**

SAP Business One is an on-premise and cloud business application for small businesses that is modular and flexible, with add-ons available that are tailored to industries and special functions. These are developed and sold by an established network of partners ready to help small businesses grow wherever they are in the world.

## **5. SAP Fiori**

### ***Personalization with Fiori UX***

SAP continuously improves our user experience (UX) in accordance with how people work today – collaboratively, spontaneously, or socially. Our users demand solutions that not only understand the business content but also the context in which they operate. SAP Fiori is our signature user interface, and we have personalized the UX even more with new

machine learning capabilities. SAP CoPilot, a digital assistant and bot integration framework, is integrated into SAP Fiori. Its conversational user interface allows users to chat, ask questions, and give commands. SAP CoPilot augments users' capabilities with context and business situation awareness, and provides recommended actions.

## **6. Line-of-Business Software-as-a-Service Solutions**

SAP delivers line-of-business (LoB) cloud applications that simplify and connect key business areas and address specific customer needs, from human resources to supply chain and customer engagement to spend management. Each of these cloud applications from SAP represent a new generation of business applications – cloud based and connected to the world's largest businesses networks to automate, transform, and support business in the digital economy.

As a modular, integrated ERP system, SAP S/4HANA is the backbone of a company. Our LoB cloud applications are designed to tightly integrate with SAP S/4HANA software and the wider SAP portfolio. They are built on open platforms that enable customers to easily link them with third-party applications, delivering real-time insights to help businesses run effectively and innovate with speed and flexibility.

### **Workforce Engagement**

#### ***SAP SuccessFactors Solutions***

Our SAP SuccessFactors Human Capital Management (HCM) solutions help organizations increase the value of their workforce by developing, managing, engaging, and empowering their people.

SAP SuccessFactors HCM cloud software is used by more than 6,400 customers in over 200 countries and territories. The core HR and talent management solutions reach more than 93 million users. Our development approach ensures that our solutions are optimized for different devices to provide the best user experience. We deliver SAP SuccessFactors HCM solutions as a complete and innovative digital HR suite that addresses all aspects of HR, from administration, payroll, and benefits to talent management and collaboration across the employee journey. They are designed to help companies attract, develop, and retain their best talent. SAP SuccessFactors solutions integrate with companies' internal and external databases and software, including SAP S/4 HANA.

In 2017, SAP SuccessFactors Employee Central, a core HCM solution, surpassed 2,300 customers, more than doubling our customer numbers from 1,000 just two years ago. We developed "Business Beyond Bias," a set of business processes and smart data analytics tools based on SAP Leonardo Machine Learning capabilities that can help companies eliminate unconscious bias in the workplace. Additionally, in partnership with Apple, we created a new mobile experience for SAP SuccessFactors solutions that combines the award-winning SAP Fiori UX with a best-in-class Apple iOS experience.

SAP SuccessFactors solutions help manage the core employee workforce, but organizations also need to manage flexible external talent such as freelancers or consultants. With seamlessly integrated SAP Fieldglass solutions for external workforce management and services procurement, we deliver a total workforce management solution.

### **Spend Management**

Our cloud applications help customers manage spend across their entire organization, from the sourcing of indirect goods to direct materials and services with SAP Ariba solutions and the online marketplace Ariba Network, as well as SAP Fieldglass solutions for services procurement, and SAP Concur solutions for travel and expense management. Built on open platforms, all of our cloud applications work together seamlessly, enabling customers to use our entire portfolio or choose the specific solutions that address their specific needs.

#### ***SAP Fieldglass Solutions***

SAP Fieldglass solutions are cloud-based applications enabling external workforce management and services procurement. The SAP Fieldglass Vendor Management System, an external talent management system, helps organizations find, engage, and manage all types of flexible resources – including contingent workers, statement of work-based consultants, freelancers, and more.

In 2017, the SAP Fieldglass solutions connected customers with 4.3 million workers and more than 89,000 suppliers in more than 180 countries. Its open API framework makes it easy for organizations to connect to other systems and solutions to transform how work gets done. To further help our customers, we introduced the Flex edition of SAP Fieldglass Vendor Management System designed for the midmarket. In addition, SAP Fieldglass Live Insights, a machine-learning-based industry benchmarking and simulation service, enables users to assess external talent scenarios using anonymized and aggregated data.

### ***SAP Ariba Solutions***

SAP Ariba solutions offer an online business-to-business marketplace connecting more than 3.1 million buyers in more than 180 countries with sellers realizing more than US\$1 trillion in goods and services every year. SAP Ariba solutions help buyers build a sustainable supply chain by connecting them with sellers through Ariba Network and by providing a comprehensive set of cloud-based applications to collaborate across the entire procurement process, from sourcing and orders to invoice and payment.

With SAP Ariba solutions, sellers can easily connect with buyers, and more effectively manage both their sales cycle and cash flow to grow their businesses. Innovations such as "guided buying," a set of capabilities embedded within the SAP Ariba Buying and Invoicing solution, automatically leads users to the goods and services they need to do their jobs. Guided buying also leads employees through the purchase process in compliance with company policies. More than 1 million users are using guided buying to make procurement more simple, efficient, and intelligent.

The Ariba Network light account capability is a new, simple way for companies to bring all of their suppliers onto Ariba Network where they can collaborate on purchase orders, invoices and more, free of charge and without any limits on the number of documents exchanged. To date, more than 185,000 purchase orders and invoices worth over US\$40 billion in spend are managed using the service.

Additionally, the SAP Ariba Supplier Risk solution automatically provides companies with a complete view of their exposure to risk across their supply chain. Companies can then make more timely, contextual, and accurate business decisions and build global supply chains that are more responsible, sustainable, and inclusive.

### ***SAP Concur Solutions***

With close to 50 million users worldwide, SAP Concur solutions are the world's leading travel and expense management software. They help companies of all sizes and stages go beyond automation to a completely connected spend management system that encompasses travel, expense, invoice, compliance, and risk. New solutions include Concur Locate, an integrated traveler risk management solution. During times of crisis and uncertainty, Concur Locate enables businesses to find vital information and communicate it with employees. Concur Hipmunk, an expense solution built on Hipmunk's technology, gives small businesses the basic tools, access, and visibility they need to manage their travel expenses.

### **Customer Experience**

#### ***SAP Hybris Solutions***

SAP Hybris offers cloud-based products that run front-office functions across customer experience, commerce, marketing, sales, services, and billing. It can be used for business-to-business and business-to-consumer operations to deliver contextual, consistent, and relevant experiences throughout the customer journey.

Our commerce function helps businesses deliver retail services across all channels, in-store or online, via mobile device or a desktop. The customer relationship management and marketing function monitors, manages, and optimizes how the business engages with customers, whatever device they use to shop. Ready-to-use artificial intelligence (AI) and machine learning scenarios are integrated into SAP Hybris standard software. Examples include the SAP Brand Impact application for the precise measurement of brand exposure and value in SAP Hybris Marketing Cloud, as well as functionality to help sales executives evaluate deal opportunities at a glance in the SAP Hybris Sales Cloud solution. The SAP Hybris Revenue Cloud solution is designed to help companies rapidly deploy highly innovative offers and effective sales processes in an agile, flexible, and scalable environment.

## **7. SAP Digital Business Services**

SAP offers an entire portfolio of services and support designed to help our customers maximize the value of their SAP solutions and to realize the full potential of innovation. We empower customer success, built on SAP's 45 years of delivery experience across 25 industries. Our people, processes, and platform help our customers to achieve digital transformation, enabling them to differentiate through innovation and produce exceptional business outcomes.

In 2017, SAP Digital Business Services embarked on a major portfolio simplification process. This work resulted in a portfolio framework that groups our SAP Digital Business Services products into three categories:

- Premium engagements
- Services
- Continuous customer success

These services and support products are underpinned by our collaborative platform, advisory services that provide customers with intelligent guidance, and the SAP ecosystem.

### **Premium Engagements**

SAP MaxAttention is the most exclusive and closest customer partnership with SAP. As the highest engagement level throughout the software lifecycle, this customized, on-site engagement orchestrates all SAP experts to work with our customers to innovate, develop ideas, and accelerate their digital transformation. It enables our customers to simplify their IT operations and optimize operations.

The SAP ActiveEmbedded service encompasses a similar level of premium engagement but is designed to support smaller businesses requiring less intensive interaction.

### **Services**

Depending on the needs of the customer, we may offer advisory and implementation services separately, or package them together to deliver defined business outcomes.

#### ***Advisory Services***

Advisory services create and realize new opportunities. We guide customers throughout the innovation process, focusing on creating economic, social, and environmental impact.

Recent innovations in our advisory services include SAP Leonardo Innovation Services.

#### ***Implementation Services***

Implementation and migration services help companies realize the benefits of our products and solutions faster and safer when deploying SAP technology. In 2017, we innovated in the following areas:

- The SAP Value Assurance program, our systematic approach to accelerating implementation while minimizing risk. Customers and partners have access to best practices, methodologies, and tools, as well as deep technology expertise to accelerate the implementation of SAP S/4HANA and SAP BW/4HANA. It is available in packages depending on the level of service required, simplifying each phase of the implementation to ensure solutions are resilient, sustainable, and flexible.
- SAP Model Company, an accelerator service created from best practices gathered in our digital transformation projects. SAP Model Company provides a preconfigured, ready-to-run reference solution with business content, accelerators, and engineered services for multiple industries or LoBs. It provides the fundamental building blocks for an industry or LoB solution, helping customers accelerate deployment and digital transformation.

## **Continuous Customer Success**

We want to enable our customers to succeed so we help drive adoption of our products and facilitate business continuity with services and support. We deliver success plans to accelerate time to value from SAP technology. Our support offerings are the foundation of customer success plans, and are embedded in all cloud solutions from SAP and for on-premise installations.

### ***SAP Enterprise Support***

Providing a seamless end-to-end customer support experience across all products and solutions, our flagship SAP Enterprise Support offering is embedded in all relevant cloud subscriptions from SAP and offered as an option for on-premise systems.

### ***SAP Preferred Success***

The SAP Preferred Success plan focuses on advanced support, learning, and empowerment for administrators and end users. It also includes resources to drive cloud adoption and consumption. It is currently available for SAP S/4HANA, public cloud edition; SAP SuccessFactors solutions; and the SAP Hybris Cloud for Customer solution.

Our SAP ONE Support approach ensures our customers enjoy the same support experience across their entire portfolio of SAP products. In addition, the Next-Generation Support approach enables us to anticipate customer needs, accelerate their path to getting accurate answers when they need them, and offering expert help at their fingertips.

## **Collaboration Platform and Intelligent Guidance**

Complementing the skills of our people, we use technology internally and externally to support customer success.

### ***SAP Solution Manager***

SAP Solution Manager helps customers manage their SAP products throughout the entire solution lifecycle, providing support for all SAP solutions and integrated third-party software, for both on-premise and cloud implementations. It enables customers to collaborate with SAP and to monitor and manage their existing applications, as well as new innovation projects that can be managed from conception to deployment. It builds a single source of the truth into one, user-friendly solution that helps customers jump-start SAP implementation projects with predefined content, thereby minimising business risk.

SAP has developed tools and related services in response to our customers' requests for more targeted guidance. These include:

- SAP Innovation and Optimization Pathfinder, a service that recommends new SAP innovations, business process improvements, and IT optimizations tailor-made for each business, based on the way the core SAP ERP system is being used. Available for customers in maintenance, SAP Innovation and Optimization Pathfinder helps them strengthen the relationship with their internal business departments by prioritizing areas of innovation and optimization.
- SAP Transformation Navigator, a self-service tool that identifies the SAP products and services already being used by the customer, and recommends new products and services that would benefit the customers' business and IT strategies. It is designed to answer the key questions SAP customers have about which innovations they need to bring into their organization, in what order, during what timeframes, and the business value and outcomes they can expect. SAP Transformation Navigator also provides information about integration, transformation services, and licenses.
- SAP Readiness Check, our latest tool to help prepare businesses for an SAP S/4HANA deployment. The easy-to-use cloud-based tool provides answers to the questions of compatibility, relevance, system requirements, and business impacts that customers may have regarding implementation of SAP S/4HANA. The tool removes the complexity of planning and discovery tasks that are required to prepare businesses for their transformation to SAP S/4HANA.

## **R&D Investment**

SAP's strong commitment to R&D is reflected in our expenditures. In 2017, our IFRS R&D expenses as a portion of total operating expenses remained stable at 18.0 per cent. compared to the prior year. Our non-IFRS R&D expense ratio remained stable at 18.4 per cent. year over year. At the end of 2017, our total full-time equivalent (FTE) headcount in development work was 24,872 (2016: 23,363). Measured in FTEs, our R&D headcount was 28 per cent. of total headcount (2016: 28 per cent.).

Total R&D expense not only includes our own personnel costs but also the external cost 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 31 December 2017, SAP held a total of more than 8,852 validated patents worldwide. Of these, 845 were granted and validated in 2017.

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.

## **Acquisitions**

We take a balanced approach on how we grow. We will continue to focus on organic investments in technology and innovations to drive our short-term and midterm growth ambitions. We will continue to look at unleashing the full potential of our employees' talent as well as strategic partnerships with our ecosystem to foster innovation.

Additionally, we occasionally acquire targeted "tuck-in" technologies to add to our broad solution offerings and improve coverage in key strategic markets.

## **Venture Activities**

In addition to our investments in organic growth, SAP also supports entrepreneurs that aspire to build industry-leading businesses through venture capital funds managed by Sapphire Ventures. Sapphire Ventures currently has over US\$2 billion under management and has invested in more than 130 companies on five continents. This includes growth-stage technology companies and early-stage venture capital funds on five continents. 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.

## **Partner Ecosystem**

Our extensive ecosystem and partner network extends our reach in the marketplace. Our vibrant ecosystem is made up of more than 17,000 partners worldwide that build, sell, service, and run SAP solutions and technology to customers from businesses large and small. Our partner ecosystem is a vital driver for SAP, especially in the SME sector.

Through the power of partnership and co-innovation, our partner ecosystem helps drive the bulk of SAP's presence among the small businesses and midsize companies that make up more than 80 per cent. percent of SAP customers. In addition, partners are responsible for the more than 55,000 customers using SAP Business One. Overall, having a robust and vibrant partner ecosystem is vital for SAP's growth and success; partners are key allies in bringing awareness of SAP solutions and technology to the marketplace. They also help SAP break into new markets, for instance, with SAP Leonardo and SAP Cloud Platform, as well as leverage new technologies such as artificial intelligence, blockchain, and 3D to deliver successful business outcomes for customers.

## Capital Expenditures

### **Principal Capital Expenditures and Divestitures Currently in Progress**

In 2017, we continued various construction projects and started new construction activities in several locations. Except for one new office building in Walldorf, which is intended to be partially financed by a promotional loan, we plan to finance all of these projects from operating cash flow. Our most important projects are listed below:

#### Construction Projects

| € millions    |                      |                                               |                      |                                       |                           |
|---------------|----------------------|-----------------------------------------------|----------------------|---------------------------------------|---------------------------|
| Country       | Location of Facility | Short Description                             | Estimated Total Cost | Costs Incurred as at 31 December 2017 | Estimated Completion Date |
| Germany       | Walldorf             | New data center phase 1                       | 65                   | 46                                    | April 2018                |
| United States | Colorado Springs, CO | New data center                               | 108                  | 68                                    | April 2018                |
| Germany       | Walldorf             | New office building for approx. 450 employees | 37                   | 5                                     | November 2018             |
| Germany       | Walldorf             | New data center phase 2                       | 52                   | 1                                     | January 2019              |
| Germany       | St. Leon-Rot         | New office building for approx. 450 employees | 37                   | 1                                     | January 2019              |
| Germany       | Walldorf             | New office building for approx. 700 employees | 74                   | 37                                    | February 2019             |
| Germany       | Munich               | New office building for approx. 850 employees | 95                   | 0                                     | April 2021                |

There were no material divestitures within the reporting period.

### **Principal Capital Expenditures and Divestitures for the Last Three Years**

Our principal capital expenditures for property, plant, and equipment amounted to €1,196 million in 2017 (2016: €933 million; 2015: €580 million). Principal capital expenditures in 2017 for property, plant, and equipment increased compared to 2016 primarily due to replacement and purchase of IT infrastructure (data centers, etc.). The increase from 2015 to 2016 was mainly due to higher investments in data centers and replacement investments in hardware as well as higher investments in office buildings.

Our capital expenditures for intangible assets such as acquired technologies and customer relationships amounted to €227 million in 2017 compared to €158 million in 2016 (2015: €70 million). Our investments allocated to goodwill increased to €208 million in 2017 from €57 million in 2016 (2015: €27 million). The respective increases in 2017 are due to one acquisition which added more goodwill than the several small acquisitions in 2016, while the increase in 2016 compared to 2015 was due to the fact that we executed several smaller acquisitions in 2016 compared to only one smaller acquisition in 2015.

## Recent Developments

On 30 January 2018 CET, we announced that our subsidiary SAP America, Inc. has entered into an agreement to acquire Callidus Software Inc. pursuant to the Agreement and Plan of Merger dated 29 January 2018 by and among Callidus Software Inc. (Callidus), SAP America, Inc., and Emerson One Acquisition Corp., a wholly owned subsidiary of SAP America, Inc., Emerson One Acquisition Corp. commenced a cash tender offer for all of the outstanding shares of Callidus common stock at US\$36.00 per share, representing an enterprise value of approximately US\$2.4 billion. The

transaction is expected to close in the second quarter of 2018, subject to approval by the Callidus shareholders, clearances by the relevant regulatory authorities and other customary closing conditions.

In order to finance the transaction SAP has entered into an €1.8 billion acquisition bridge loan. Furthermore, as a refinancing measure SAP plans to issue the Notes described in this Prospectus. The Notes will include an early termination right of the Issuer in case the transaction does not close.

Callidus Software Inc., doing business as CallidusCloud®, is a leader in cloud-based sales, marketing, learning and customer experience solutions. CallidusCloud offers a complete suite of solutions that identify the right leads, ensure proper territory and quota distribution, enable sales forces, automate configure price quote, and streamline sales compensation. CallidusCloud is a synergistic addition to SAP's portfolio and significantly strengthens SAP's position in the customer relationship management (CRM) space. With CallidusCloud as part of SAP, we intend to seamlessly link front and back offices, align sales, compensation and corporate goals, and ensure real-time data flow between the field and finance department.

### **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", or "EIA"), by the German Corporate Governance Code and by SAP's Articles of Incorporation (Satzung) and are summarized 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 2017:

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**Prof. Dr. h.c. mult. Hasso Plattner** <sup>2), 4), 6), 7), 8)</sup>  
Chairman

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**Margret Klein-Magar** <sup>1), 2), 4)</sup>  
Deputy Chairperson  
Vice President, Head of SAP Alumni Relations  
Chairperson of the Spokespersons' Committee of Senior Managers of SAP SE

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**Pekka Ala-Pietilä** <sup>4), 5), 6), 7)</sup>  
Chairman of the Board of Directors, Huhtamäki Oyj, Espoo, Finland

Board of Directors, Pöyry Plc, Vantaa, Finland (until 9 March 2017)  
Chairman of the Board of Directors, CVON Group Limited, London, United Kingdom (until 19 December 2017)  
Board of Directors, CVON Limited, London, United Kingdom (until 19 December 2017)  
Chairman of the Board of Directors, CVON Innovation Services Oy, Turku, Finland (until 19 December 2017)  
Board of Directors, CVON Future Limited, London, United Kingdom (until 19 December 2017)  
Chairman of the Board of Directors, BMA Platform International Ltd., London, United Kingdom (until 18 April 2017)  
Chairman of the Board of Directors, Sanoma Corporation, Helsinki, Finland  
Chairman of the Board of Directors, Netcompany A/S, Copenhagen, Denmark (from 31 October 2017)

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**Panagiotis Bissiritsas** <sup>1), 3), 4), 5)</sup>

Support Expert

Member of Works Council SAP SE

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**Martin Duffek** <sup>1), 3), 4), 8)</sup>

Product Manager

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**Aicha Evans** (from 1 July 2017) <sup>2), 4)</sup>

Senior Vice President and Chief Strategy Officer, Intel Corporation, Santa Clara, CA, United States

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**Prof. Anja Feldmann** <sup>4), 8)</sup>

Professor at the Electrical Engineering and Computer Science Faculty at the Technische Universität Berlin (until 31 December 2017)

Director of Max-Planck-Institut für Informatik, Saarbrücken, Germany (from 1 January 2018)

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**Prof. Dr. Wilhelm Haarmann** <sup>2), 5), 7), 8)</sup>

Attorney-at-law, certified public auditor, certified tax advisor

Linklaters LLP, Rechtsanwälte, Notare, Steuerberater, Frankfurt am Main, Germany

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**Andreas Hahn** <sup>1), 2), 4)</sup>

Product Expert, IoT Standards

Member of Works Council SAP SE

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**Prof. Dr. Gesche Joost** <sup>4), 8)</sup>

Professor for Design Research and Head of the Design Research Lab, University of Arts Berlin

Supervisory Board, ClearVAT Aktiengesellschaft, Berlin, Germany (until 1 December 2017)

Supervisory Board, Ottobock SE & Co. KG (in course of incorporation), Duderstadt, Germany (from 24 October 2017)

Supervisory Board, ING-DiBa AG, Frankfurt, Germany (from 1 December 2017)

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**Lars Lamadé** <sup>1), 2), 7), 8)</sup>

Head of Sponsorships Europe and Asia

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

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**Bernard Liautaud** <sup>2), 4), 6)</sup>

Managing Partner Balderton Capital, London, United Kingdom

Board of Directors, nlyte Software Ltd., London, United Kingdom  
Board of Directors, Talend SA, Suresnes, France  
Board of Directors, Wonga Group Ltd., London, United Kingdom  
Board of Directors, SCYTL Secure Electronic Voting SA, Barcelona, Spain  
Board of Directors, Vestiaire Collective SA, Levallois-Perret, France  
Board of Directors, Dashlane, Inc., New York, NY, United States  
Board of Directors, Recorded Future, Inc., Cambridge, MA, 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, Stanford University, Stanford, CA, United States  
Board of Directors, Opbeat Inc., San Francisco, CA, United States (until 22 May 2017)  
Board of Directors, Aircall.io, New York, NY, United States  
Board of Directors, Virtuo Technologies, Paris, France (from 26 July 2017)

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**Christine Regitz** <sup>1), 4), 8)</sup>

Vice President User Experience  
Chief Product Expert

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**Dr. Erhard Schipporeit** <sup>3), 5), 7)</sup>

Independent Management Consultant

Supervisory Board, Talanx AG, Hanover, Germany  
Supervisory Board, Deutsche Börse AG, Frankfurt am Main, Germany  
Supervisory Board, HDI V.a.G., Hanover, Germany  
Supervisory Board, Hannover Rückversicherung SE, Hanover, Germany  
Supervisory Board, Fuchs Petrolub SE, Mannheim, Germany  
Supervisory Board, BDO AG, Hamburg, Germany  
Supervisory Board, RWE AG, Essen, Germany  
Chairman of the Supervisory Board, innogy SE, Essen, Germany (from January 1, 2018)

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**Robert Schuschnig-Fowler** <sup>1), 5), 8)</sup>

Account Manager, Senior Support Consultant  
Deputy Chairman of SAP SE Works Council Europe  
Member of Works Council SAP SE

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**Dr. Sebastian Sick** <sup>1), 2), 5), 7)</sup>

Head of Company Law Unit, Hans Böckler Foundation

Supervisory Board, Georgsmarienhütte GmbH, Georgsmarienhütte, Germany (until 13 June 2017)

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**Pierre Thiollet** <sup>1), 4)</sup>

Webmaster (P&I)  
Member of the SAP France Works Council  
Secretary of CHSCT (Hygiene, Security and Work Conditions Committee)

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**Prof. Dr.-Ing. Dr.-Ing. E. h. Klaus Wucherer <sup>3)</sup>**

Managing Director of Dr. Klaus Wucherer Innovations- und Technologieberatung GmbH, Erlangen, Germany

Deputy Chairman of the Supervisory Board, HEITEC AG, Erlangen, Germany

Deputy Chairman of the Supervisory Board, LEONI AG, Nuremberg, Germany (until 11 May 2017)

Chairman of the Supervisory Board, Festo AG & Co. KG, Esslingen, Germany

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1) Elected by the employees

2) Member of the Company's General and Compensation Committee

3) Member of the Company's Audit Committee

4) Member of the Company's Technology and Strategy Committee

5) Member of the Company's Finance and Investment Committee

6) Member of the Company's Nomination Committee

7) Member of the Company's Special Committee

8) Member of the Company's People and Organization Committee

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

The Supervisory Board appoints and removes the members of the Executive Board and oversees and advises the management of the corporation. At regular intervals it meets to discuss current business as well as business development and planning. The SAP Executive Board must consult with the Supervisory Board concerning the corporate strategy, which is developed by the Executive Board. Types of transactions for which the Executive Board requires the Supervisory Board's consent are listed in the Articles of Incorporation; in addition, the Supervisory Board has specified further types of transactions that require its consent. Accordingly, the Supervisory Board must also approve the annual budget of SAP upon submission by the Executive Board and certain subsequent deviations from the approved budget. The Supervisory Board is also responsible for representing SAP SE in transactions between SAP SE and Executive Board members.

The Supervisory Board, based on a recommendation by its Audit Committee, provides its proposal for the election of the external independent auditor to the Annual General Meeting of Shareholders. The Supervisory Board is also responsible for monitoring the auditor's independence, a task it has delegated to its audit committee.

Pursuant to Article 40 (3) sentence 1 of the SE Regulation, the number of members of the supervisory board and the rules for determining this number are to be laid down in the articles of incorporation. Furthermore, pursuant to Section 17 (1) SE-AG, the size of supervisory boards of companies which, like SAP SE, have a capital stock exceeding € 10,000,000, is limited to 21 members. In line with these provisions as well as the EIA, the Articles of Incorporation of SAP SE provide that the Supervisory Board shall be composed of 18 members. Furthermore, it is provided in the EIA that the shareholders of SAP SE have the possibility to reduce the size of the Supervisory Board in the future (i.e. at the earliest in the Annual General Meeting of Shareholders in 2018, with effect from the Annual General Meeting of Shareholders in 2019) to 12 members.

The current Supervisory Board of SAP SE consists of eighteen members, nine of whom are elected by the Annual General Meeting of Shareholders as shareholders' representatives and the remaining nine are appointed as employees' representatives by the SAP SE Works Council Europe in accordance with the EIA (see below for details). Pursuant to Section 17(2) SE-AG, the Supervisory Board of SAP SE must have a minimum of 30 per cent. men and 30 per cent. women. This quota for the Supervisory Board must be observed for any new appointment to the Supervisory Board. Currently there are three women on the shareholder representatives' side of the Supervisory Board and two women on the employee representatives' side. Thus the percentage of women on the Supervisory Board reached the minimum quota of 30 per cent. as of 31 December 2017. The term of office of all eighteen members will end upon the conclusion of the Annual General Meeting of Shareholders in 2019, except for Aicha Evans whose term will end upon the conclusion of the Annual General Meeting of Shareholders in 2018.

The procedure for the appointment of the employees' representatives on the Supervisory Board of SAP SE is governed by the EIA. In accordance with the EIA, the nine seats on the first Supervisory Board reserved for employees' representatives were allocated as follows: the first six seats were allocated to Germany, the seventh seat was allocated to France, the eighth seat was also allocated to Germany, and the ninth seat was allocated to a European country not represented by the first eight seats, as determined by the SAP SE Works Council Europe. The employees' representatives

for the first six seats allocated to Germany were determined by direct vote by all SAP employees with their principal place of employment in Germany. According to the EIA, the employees' representative for the seventh seat allocated to France is generally determined according to the applicable provisions of French law on the election or appointment of employees' representatives on a supervisory board. With regard to the eighth and ninth seat, members of the SAP SE Works Council Europe from Germany and Slovakia were appointed by the SE Works Council as employees' representatives.

Any Supervisory Board member elected by the shareholders at the Annual General Meeting of Shareholders may be removed by three-quarters of the votes cast at the Annual General Meeting of Shareholders. Any Supervisory Board member appointed in accordance with the EIA may be removed by the SAP SE Works Council Europe upon application by the body that nominated the respective employees' representative for appointment by the SE Works Council or, in case the employees' representative was directly elected, the majority of the employees entitled to vote.

The Supervisory Board elects a chairperson and one or two deputy chairperson(s) among its members by a majority of the votes cast. Only a shareholders' representative may be elected as chairperson of the Supervisory Board. When electing the chairperson of the Supervisory Board, the oldest member in terms of age of the shareholders' representatives on the Supervisory Board will chair the meeting and, in the event of a tied vote, will have the casting vote.

Unless otherwise mandatorily prescribed by law or the Articles of Incorporation, resolutions of the Supervisory Board are adopted by simple majority of the votes cast. In the event of a tie, the vote of the chairperson and, in the event that the chairperson does not participate in passing the resolution, the vote of the deputy chairperson, provided that he or she is a shareholders' representative, will be decisive (casting vote).

The members of the Supervisory Board cannot be elected or appointed, as the case may be, for a term longer than six years. Other than for the employees' representatives on the first Supervisory Board of SAP SE, the term expires at the close of the Annual General Meeting of Shareholders giving its formal approval of the acts of the Supervisory Board for the fourth fiscal year following the year in which the term of office of the Supervisory Board members commenced. Re-election is possible. Our Supervisory Board normally meets four times a year. The compensation of the members of the Supervisory Board is set in the Articles of Incorporation.

As stipulated in the German Corporate Governance Code (GCGC), an adequate number of our Supervisory Board members are independent. To be considered for appointment to the Supervisory Board and for as long as they serve, members must comply with certain criteria concerning independence, conflicts of interest and multiple memberships of management, supervisory and other governing bodies. They must be loyal to SAP in their conduct and must not accept any position in companies that are in competition with SAP. Members are subject to insider trading prohibitions and the respective directors' dealing rules of the European Regulation (EU) No 596/2014 of the European Parliament and the Council of 16 April 2014 on market abuse and the German Securities Trading Act. A member of the Supervisory Board may not vote on matters relating to certain contractual agreements between such member and SAP SE. Further, as the compensation of the Supervisory Board members is set in the Articles of Incorporation, Supervisory Board members are unable to vote on their own compensation, with the exception that they are able to exercise voting rights in a General Meeting of Shareholders in connection with a resolution amending the Articles of Incorporation.

The Supervisory Board may appoint committees from among its members and may, to the extent permitted by law, entrust such committees with the authority to make decisions on behalf of the Supervisory Board. Currently the Supervisory Board maintains the following committees:

#### *The Audit Committee*

The focus of the Audit Committee (Prüfungsausschuss) is the oversight of 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), corporate audit and compliance matters. According to German Law SAP's Audit Committee includes at least one independent member with specialist expertise in the fields of financial reporting or auditing. Among the tasks of the Audit Committee are the discussion of SAP's quarterly and year-end financial reporting prepared under German and U.S. regulations. The Audit Committee recommends to the Supervisory Board the appointment of the external independent auditor, determines focus audit areas, discusses critical accounting policies and estimates with 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 Corporate Audit, SAP's Office of Legal Compliance and Integrity and SAP's Risk Management Office report upon request or at the occurrence of certain findings, but in any case at least once a year (Office of Legal Compliance and Integrity and Risk Management Office) or twice a year (Corporate Audit), directly to the Audit Committee.

The Audit Committee has established procedures regarding the prior approval of all audit and non-audit services provided by our external independent auditor.

The Audit Committee 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 Integrated Report, 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 Supervisory Board has determined Erhard Schipporeit, the Audit Committee's chairperson, to be an audit committee financial expert as defined by the regulations of the SEC issued under Section 407 of the Sarbanes-Oxley Act as well as an independent financial expert as defined by the German Stock Corporation Act.

#### *The General and Compensation Committee*

The General and Compensation Committee (Präsidial- und Personalausschuss) coordinates the work of the Supervisory Board, prepares its meetings and deals with corporate governance issues. In addition, it carries out the preparatory work necessary for the personnel decisions made by the Supervisory Board, notably those concerning compensation for the Executive Board members and the conclusion, amendment and termination of the Executive Board members' contracts of appointment.

The German Stock Corporation Act prohibits the Compensation Committee from deciding on the compensation of the Executive Board members on behalf of the Supervisory Board and requires that such decision is made by the entire Supervisory Board. This Act also provides the General Meeting of Shareholders with the right to vote on the system for the compensation of Executive Board members, such vote, however, not being legally binding for the Supervisory Board.

#### *The Finance and Investment Committee*

The Finance and Investment Committee (Finanz- und Investitionsausschuss) addresses general financing issues. Furthermore, it regularly discusses acquisitions of intellectual property and companies, venture capital investments and other investments with the Executive Board and reports to the Supervisory Board on such investments. It is also responsible for the approval of such investments if the individual investment amount exceeds certain specified limits, 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 Technology and Strategy Committee*

The Technology and Strategy Committee (Technologie-und Strategieausschuss) monitors technology transactions and provides the Supervisory Board with in-depth technical advice.

#### *The Nomination Committee*

The Nomination Committee (Nominierungsausschuss) is exclusively composed of shareholder representatives and is responsible for identifying suitable candidates for membership of the Supervisory Board for recommendation to the Annual General Meeting of Shareholders.

#### *The Special Committee*

The Special Committee (Sonderausschuss) deliberates on matters arising out of substantial exceptional risks, such as major litigations.

### *The People and Organization Committee*

The People and Organization Committee (Ausschuss für Mitarbeiter- und Organisationsangelegenheiten) deliberates and advises the Executive and Supervisory Board 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 duties and procedures of the Supervisory Board and its committees are specified in their respective rules of procedure, if any, which reflect the requirements of European and German law, including the SE Regulation and the German Stock Corporation Act, the Articles of Incorporation and the recommendations of the GCGC.

According to the provisions of the Sarbanes-Oxley Act, SAP does not grant loans to the members of the Executive Board or the Supervisory Board.

### **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:

#### **Bill McDermott**

Chief Executive Officer

Strategy, Governance, Digital Government, Business Development, Corporate Development, Global Corporate Affairs, Corporate Audit and Global Marketing

Board of Directors, ANSYS, Inc., Canonsburg, PA, United States

Board of Directors, Under Armour, Inc., Baltimore, MD, United States

Board of Directors, Dell Secure Works, Atlanta, GA, United States

#### **Robert Enslin**

Cloud Business Group

Concur, Ariba, Fieldglass (Sales, Development, Delivery),

Customer Engagement and Commerce (CEC) and SuccessFactors (Development and Delivery),

Industry Go-to-Market

Board of Directors, Discovery Limited, Johannesburg, South Africa (from 1 May 2017)

Board of Directors, Docker, Inc., San Francisco, CA, United States (from 17 July 2017)

#### **Adaire Fox-Martin** (from 1 May 2017)

Global Customer Operations (EMEA, MEE and Greater China)

Global Sales, Regional Field Organizations, Line of Business Solutions Sales

#### **Christian Klein** (from 1 January 2018)

Global Business Operations

Digital Transformation, Business Process Simplification, Product and Services Quality, Portfolio Strategy

#### **Michael Kleinemeier**

Digital Business Services

Global Consulting Delivery, Global and Regional Support and Premium Engagement, Maintenance Go-to-Market, Global User Groups, Mobile Services

Supervisory Board, innogy SE, Essen, Germany

**Bernd Leukert**

Products & Innovation

Global Development and Delivery of SAP Technology and Products, Strategic Innovation Initiatives, Design and User Experience

Supervisory Board, DFKI (Deutsches Forschungszentrum für Künstliche Intelligenz GmbH), Kaiserslautern, Germany

Supervisory Board, Bertelsmann SE & Co. KGaA, Guetersloh, Germany (from 27 January 2017)

Supervisory Board TomTom N.V., Amsterdam, the Netherlands (from 1 September 2017)

**Jennifer Morgan (from 1 May 2017)**

Global Customer Operations (Americas and Asia Pacific Japan)

Global Sales, Regional Field Organizations, Line of Business Solutions Sales

Board of Directors, Bank of New York Mellon, New York, NY, United States

**Luka Mucic**

Chief Financial Officer

Global Finance and Administration including Investor Relations and Data Protection & Privacy

**Stefan Ries**

Chief Human Resources Officer, Labor Relations Director

HR Strategy, Business Transformation, Leadership Development, Talent Development

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

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

The Executive Board manages the Company's business, is responsible for preparing its strategy and represents it in dealings with third parties. The Executive Board reports regularly to the Supervisory Board about SAP operations and business strategies and prepares special reports upon request. A person may not serve on the Executive Board and on the Supervisory Board at the same time.

The Executive Board and the Supervisory Board cooperate closely for the benefit of the Company. The Executive Board is required to provide the Supervisory Board regular, prompt and comprehensive information about all of the essential issues affecting the SAP Group's business progress and its potential business risks. Furthermore, the Executive Board must maintain regular contact with the chairperson of the Supervisory Board and vice versa. The Executive Board must inform the chairperson of the Supervisory Board promptly about exceptional events that are of significance to SAP's business. The Supervisory Board chairperson must inform the Supervisory Board accordingly and shall, if required, convene an extraordinary meeting of the Supervisory Board.

Pursuant to the Articles of Incorporation, the Executive Board must consist of at least two members. SAP SE's Executive Board is currently comprised of nine members. Any two members of the Executive Board jointly or one member of the Executive Board and the holder of a special power of attorney (Prokurist) jointly may legally represent SAP SE. The Supervisory Board appoints each member of the Executive Board for a maximum term of five years, with the possibility of re-appointment. Under certain circumstances, a member of the Executive Board may be removed by the Supervisory Board prior to the expiration of that member's term. A member of the Executive Board may not vote on matters relating to certain contractual agreements between such member and SAP SE, and may be liable to SAP SE if such member has a material interest in any contractual agreement between SAP and a third party which was not previously disclosed to and approved by the Supervisory Board. Further, as the compensation of the Executive Board members is set by the Supervisory Board, Executive Board members are unable to vote on their own compensation, with the exception that they are able to exercise voting rights in a General Meeting of Shareholders resolving a non-binding vote on the system for the compensation of Executive Board members.

Under German law SAP SE's Supervisory Board members and Executive Board members have a duty of loyalty and care towards SAP SE. They must exercise the standard of care of a prudent and diligent businessman and bear the burden of proving they did so if their actions are contested. Both bodies must consider the interest of SAP SE shareholders and our employees and, to some extent, the common good. Those who violate their duties may be held jointly and severally liable for any resulting damages, unless they acted pursuant to a lawful resolution of the Annual General Meeting of Shareholders.

SAP has implemented a Code of Business Conduct for employees. The employee code is equally applicable to managers and members of the Executive Board. Its rules are observed as well by members of the Supervisory board as applicable.

Under German law the Executive Board of SAP SE has to assess all major risks for the SAP Group. In addition, all measures taken by management to reduce and handle the risks have to be documented. Therefore, SAP's management has adopted suitable measures such as implementing an enterprise-wide risk monitoring system to ensure that adverse developments endangering the corporate standing are recognized at a reasonably early point in time.

The Office of Legal Compliance and Integrity was created by the SAP Executive Board in 2006 to oversee and coordinate legal and regulatory policy compliance at SAP. The Chief Global Compliance Officer heading the Office of Legal Compliance and Integrity directly reports to the CFO of SAP SE and also has direct communication channels and reporting obligations to the Audit Committee of the Supervisory Board. The Office of Legal Compliance and Integrity manages a network of more than 100 local subsidiary Compliance Officers who act as the point of contact for local questions or issues under the SAP Code of Business Conduct for employees. The Office of Legal Compliance and Integrity provides training and communication to SAP employees to raise awareness and understanding of legal and regulatory compliance policies. Employee help lines are also supported in each region where questions can be raised or questionable conduct can be reported without fear of retaliation.

## **The Annual General Meeting of Shareholders**

Shareholders of the Company exercise their voting rights at shareholders' meetings. The Executive Board calls the Annual General Meeting of Shareholders, which must take place within the first six months of each fiscal year. The Supervisory Board or the Executive Board may call an extraordinary meeting of the shareholders if the interests of the stock corporation so require. Additionally, shareholders of SAP SE holding in the aggregate a minimum of 5 per cent. of SAP SE's issued share capital may call an extraordinary meeting of the shareholders. Shareholders as of the record date are entitled to attend and participate in shareholders' meetings if they have provided timely notice of their intention to attend the meeting.

At the Annual General Meeting of Shareholders, the shareholders are asked, among other things, to formally approve the actions taken by the Executive Board and the Supervisory Board in the preceding fiscal year, to approve the appropriation of the corporation's distributable profits and to appoint an external independent auditor. Shareholder representatives of the Supervisory Board are generally elected at the Annual General Meeting of Shareholders for a term of approximately five years. Shareholders may also be asked to grant authorisation to repurchase treasury shares, to resolve on measures to raise or reduce the capital of the Company or to ratify amendments of our Articles of Incorporation. The Annual General Meeting of Shareholders can make management decisions only if requested to do so by the Executive Board.

## **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**

### *Corporate Governance Declaration*

Pursuant to Sec. 289a of the German Commercial Code (Handelsgesetzbuch) the Executive Boards of publicly listed companies like SAP SE are required to issue a corporate governance statement (Erklärung zur Unternehmensführung) every year together with their annual financial statements. Companies are free to include the corporate governance statement in their management report or publish the statement on their website. SAP has chosen to publish the statement on its website under (<http://www.sap.com/corporate-en/investors/governance/index.epx>). As stipulated by law the statement comprises the declaration of implementation of the recommendations of the GCGC pursuant to Sec. 161 of the German Stock Corporation Act, relevant disclosures of the company's corporate governance practices such as ethical, work and welfare standards, and a description of the Executive Board and Supervisory Board's rules of procedure as well as information on the composition and rules of procedure of their sub-committees.

### *Corporate Governance Code*

SAP published its declaration of compliance with the German Corporate Governance Code pursuant to section 161 of the German Stock Corporation Act dated 27 October 2017 which was updated on 21 February 2018 and which states to which extent SAP follows the recommendations of the German Corporate Governance Code:

#### 1. Recent deviations from the recommendations of the Code

*The Executive Board and the Supervisory Board of SAP issued their most recent annual Declaration on 27 October 2017. Such Declaration stated that SAP intended to deviate from the recommendations of the German Corporate Governance Code (Code), as amended on 7 February 2017 (published in the German Federal Gazette (Bundesanzeiger) on 24 April 2017) in the future as follows:*

- *section 3.8, third paragraph, of the Code (agreement on a deductible when taking out directors' and officers' (D&O) liability insurance for supervisory board members)*
- *section 4.2.3, fourth paragraph, of the Code (stipulation of a cap on severance payments on premature termination when concluding executive board appointment contracts)*

2. No deviations from the recommendations of the Code in future

*The D&O insurance of SAP has now been amended to include a deductible for Supervisory Board members. Moreover, the Executive Board appointment contracts have been amended to include a cap on severance payments on premature termination in compliance with the Code.*

*Therefore, the Executive Board and the Supervisory Board of SAP hereby declare that the recommendations of the Code are complied with without exceptions.*

*For the past, the Declaration of 27 October 2017 will continue to apply.*

## **Issued Capital**

As of 31 December 2017, SAP SE's issued capital amounts to € 1,229 million and is divided into 1,229 million ordinary shares issued in bearer form, each with a nominal value of € 1.00. Each share grants its holder one vote at SAP SE's shareholders' meetings and the right to receive a dividend in accordance with SAP's articles of association and German corporate law. All shares are fully paid in.

As of 31 December 2017, SAP SE held 35 million treasury shares, which correspond to 2.9 per cent. of the total issued capital.

## **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 2017 and 2016. These consolidated financial statements of SAP Group have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU (IFRS).

|                                                   | Financial year<br>ended<br>31 December<br>2017 | Financial year<br>ended<br>31 December<br>2016 |
|---------------------------------------------------|------------------------------------------------|------------------------------------------------|
| € in million                                      |                                                |                                                |
| Total revenue                                     | 23,461                                         | 22,062                                         |
| Software licenses and support                     | 15,780                                         | 15,431                                         |
| Operating profit                                  | 4,877                                          | 5,135                                          |
| Profit after tax                                  | 4,056                                          | 3,634                                          |
|                                                   | 31 December<br>2017                            | 31 December<br>2016                            |
| Cash and cash equivalents                         | 4,011                                          | 3,702                                          |
| Total assets                                      | 42,497                                         | 44,277                                         |
| Total equity                                      | 25,540                                         | 26,397                                         |
| Issued capital                                    | 1,229                                          | 1,229                                          |
| Current bank loans (nominal<br>volume)            | 24                                             | 16                                             |
| Non-current bank loans<br>(nominal volume)        | 0                                              | 0                                              |
| Private placement transaction<br>(nominal volume) | 1,090                                          | 1,660                                          |
| Bond (nominal volume)                             | 5,150                                          | 6,150                                          |

## Material Contracts

### *Revolving credit facility*

SAP is a party to a committed €2.5 billion revolving credit facility contract with maturity in November 2022. 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.

### *Senior Bonds*

SAP issued in November 2012 two tranches of Eurobonds with a total volume of €1.3 billion, of which currently one tranche in the amount of €750 million with maturity in 2019 is outstanding.

In November 2014, SAP issued three tranches of Eurobonds with a total volume of €2.75 billion and maturities in 2018, 2023 and 2027.

In April 2015 SAP issued three tranches of Eurobonds with a total volume of €1.75 billion, of which currently two tranches in the amount of €650 million and €600 million and maturities in 2020 and 2025 are outstanding.

In August 2016 SAP issued privately one tranche Eurobond with a total volume of €400 million and maturity in 2018.

### *U.S. private placements*

In 2010 and 2011, SAP entered into various U.S. private placement financing transactions totaling US\$1.25 billion. The financing consists of several tranches with maturities between 2015 and 2018, of which currently an amount of US\$150 million is outstanding. Furthermore, SAP issued in November 2012 five tranches of U.S. private placements with a total

volume of USD 1.4 billion and maturities between 2017 and 2027, of which currently an amount of US\$1.16 million is outstanding.

## TAXATION

The following is a general discussion of certain tax consequences under the tax laws of Germany and the Grand-Duchy of Luxembourg ("**Luxembourg**") 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 summary is based on the laws of Germany and Luxembourg currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

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 LUXEMBOURG 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 from the sale of Notes can only be offset against other savings income and, if there is not sufficient other positive savings income, carried forward in subsequent assessment periods.

Pursuant to a tax decree issued by the Federal Ministry of Finance dated 18 January 2016, a sale shall be disregarded where the transaction costs exceed the sales proceeds, which means that losses suffered from such "sale" shall not be tax-deductible. Similarly, a bad debt loss (*Forderungsausfall*), i.e. should the Issuer become insolvent, and a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden contribution, shall not be treated like a sale. Accordingly, losses suffered upon such bad debt loss or waiver shall not be tax-deductible. The same shall apply where, based on an agreement with the depositary institution, the transaction costs are calculated on the basis of the sale proceeds taking into account a deductible amount. With respect to a bad debt loss, the German Federal Fiscal Court (*Bundesfinanzhof*) has recently objected the view expressed by the Federal Ministry of Finance. However, the Federal Ministry of Finance has not yet updated the aforementioned tax decree in this respect.

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. 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.

The Issuer is, as a rule, not obliged to levy German withholding tax in respect of payments on the Notes.

## 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, the interest income shall be taxed within the assessment procedure and the investor shall be assessed on the basis of its personal tax rate.

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 IV. below*).

## **II. Luxembourg**

*The following is a general description of certain Luxembourg withholding tax considerations relating to the Notes. It specifically contains information on taxes on the income from the Notes withheld at source and provides an indication as to whether the Issuer assumes responsibility for the withholding of taxes at source. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Luxembourg or elsewhere. Prospective investors of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes, payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of Luxembourg. This summary is based upon the law as in effect on the date of this Prospectus. The information contained within this section is limited to withholding taxation issues, and 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.*

*Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature refers to Luxembourg tax law and/or concepts only.*

*A holder of Notes may not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of the Notes, or the execution, performance, delivery and/or enforcement of the Notes.*

### **Withholding Tax**

#### *Non-resident holders of Notes*

Under the existing laws of Luxembourg there is no withholding tax on the payment of interest on, or reimbursement of principal of, the Notes made to non-residents of Luxembourg.

### *Resident holders of Notes*

All payments of interest (including accrued but unpaid interest) and principal by the Issuer to a resident holder in the context of the holding, disposal, redemption or repurchase of the Notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005, as amended, which has introduced a 20 per cent. withholding tax on savings income.

Pursuant to the law of 23 December 2005, as amended, Luxembourg resident individuals can opt to self declare and pay a 20 per cent. withholding tax on interest payments made or ascribed by paying agents located outside Luxembourg, in a Member State of either the European Union or the European Economic Area.

If the individual holder holds the Notes in the course of the management of his or her private wealth, the aforementioned 20 per cent. withholding tax will constitute a final taxation of the income subject to the aforementioned withholding tax in the hands of the holder.

Interest on Notes paid by a Luxembourg paying agent to a resident holder of Notes who is not an individual is not subject to withholding tax in Luxembourg.

When used in the preceding paragraphs "interest" and "paying agent" have the meaning given thereto in the Luxembourg law of 23 December 2005, as amended. "Interest" will include accrued or capitalised interest at the sale, repayment or redemption of the Notes.

### **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 the Netherlands and 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. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. 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. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019. 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, no person will be required to pay 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 the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of the Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial

institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the FTT proposal remains subject to negotiation between the Participating Member States. It may, therefore, be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

**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 9 March 2018 (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 13 March 2018. 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, a Joint Lead Manager has extended a credit line to the Issuer in connection with the acquisition of Callidus Software Inc.

### 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 the 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.

#### *European Economic Area*

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 European Economic Area. 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 Directive 2014/65/EU (as amended, "**MiFID II**"); or
- (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation 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, the 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.

### Authorisation

The creation and issue of the Notes has been authorised by the Chief Financial Officer of the Issuer in accordance with a resolution of the Executive Board of the Issuer dated 25 January 2018 and a subsequent resolution of the Supervisory Board of the Issuer dated 29 January 2018.

### Use of Proceeds

SAP intends to use the net proceeds from the issuance of the Notes for the refinancing of the acquisition of Callidus Software Inc. described in this Prospectus (see subsection "Recent Developments" of the section "GENERAL INFORMATION ABOUT THE ISSUER").

### 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 2026 Notes is 1.026 per cent. *per annum*.

The yield of the 2030 Notes is 1.470 per cent. *per annum*.

### Credit Rating

The Issuer's long term ratings are "A2"<sup>2</sup> with an outlook "stable" by Moody's Deutschland GmbH ("Moody's") and "A"<sup>3</sup> with an outlook "positive" 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>4</sup>

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.

### Expenses

The total expenses related to the admission of trading are expected to amount to approximately EUR 14,600.

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<sup>2</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>3</sup> S&P defines the long-term 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 commitment on the obligation is still strong."

<sup>4</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>.

## **Clearing**

The Notes have been accepted for clearance through Euroclear Bank (1 Boulevard du Roi Albert II, B - 1210 Brussels), Clearstream Banking AG (Mergenthaler Allee 61, D-65760 Eschborn), and Clearstream Banking S.A., Luxembourg (42 Avenue JF Kennedy, L-1855 Luxembourg). The Notes have been assigned the following securities codes:

The 2021 Notes have been assigned ISIN DE000A2G8VS7, common code 111730890 and WKN A2G8VS.

The 2026 Notes have been assigned ISIN DE000A2G8VT5, common code 111730873 and WKN A2G8VT.

The 2030 Notes have been assigned ISIN DE000A2G8VU3, common code 111730857 and WKN A2G8VU.

## **Form of the Notes**

The Notes are issued in bearer form on 13 March 2018. 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, claims that relate to customers demanding indemnification for proceedings initiated against them based on their use of SAP software, and claims that relate to customers being dissatisfied with the products and services that we have delivered to them. We will continue to vigorously defend against all claims and lawsuits against us. We currently believe that resolving the claims and lawsuits pending as at 31 December 2017, will neither individually nor in the aggregate have a material adverse effect on our business, financial position, profit, or cash flows. The provisions recorded for these claims and lawsuits as at 31 December 2017, 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. 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.

The expected timing of any resulting outflows of economic benefits from these lawsuits and claims is uncertain and not estimable, as it depends generally on the duration of the legal proceedings and settlement negotiations required to resolve them. Uncertainties about the amounts result primarily from the unpredictability of the outcomes of legal disputes in several jurisdictions.

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 2017 and 2016. Based on our past experience, most of the intellectual property-related litigation and claims tend to be either dismissed in court or settled out of court for amounts significantly below the originally claimed amounts and not material to our consolidated financial statements.

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

In February 2010, United States-based TecSec, Inc. (TecSec) instituted legal proceedings in the United States against SAP (including its subsidiary Sybase) and many other defendants. TecSec alleged that SAP's and Sybase's products infringe one or more of the claims in five patents held by TecSec. In its complaint, TecSec seeks unspecified monetary damages and permanent injunctive relief. The lawsuit is proceeding but only with respect to one defendant. The trial for SAP (including its subsidiary Sybase) has not yet been scheduled – the lawsuit for SAP (including its subsidiary Sybase) remains stayed.

In 2008, Wellogix, Inc. asserted trade secret misappropriation claims against SAP in U.S. federal court. Those claims were dismissed based on improper venue. In April 2010, SAP instituted legal proceedings (a declaratory judgment action) in the United States against Wellogix, Inc. and Wellogix Technology Licensing, LLC. The lawsuit sought a declaratory judgment that six patents owned by Wellogix were invalid or not infringed by SAP. The legal proceedings were stayed pending the outcome of six reexaminations filed by SAP with the United States Patent and Trademark Office (USPTO). All six reexaminations were decided in SAP's favor, the decisions were upheld on appeal, and the case has been dismissed. Wellogix re-asserted trade secret misappropriation claims against SAP. The court granted SAP's motion to dismiss based on improper venue for litigating the trade secret claims in the U.S. and Wellogix appealed that decision. The appeal was decided in SAP's favor and the claim was dismissed. In February 2015, SAP filed a declaratory judgment action in Frankfurt/Main, Germany, asking the German court to rule that SAP did not misappropriate any Wellogix trade secrets. That court likewise ruled in SAP's favor and Wellogix has appealed that decision. The appeal is expected to conclude in 2018.

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

Customer-related litigation and claims include 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. Occasionally, consulting or software implementation projects result in disputes with customers. Where customers are dissatisfied with the products and services that we have delivered to them in routine consulting contracts or development arrangements, we may grant functions or performance guarantees.

The expected timing or amounts of any resulting 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. Generally, 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, like many other companies operating in Brazil, are involved in various proceedings with Brazilian 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 €102 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 tax expense (including related interest expenses and penalties) of approximately €1,884 million (2016: €1,749 million) in total.

### ***Legal Contingencies***

SAP received communications alleging conduct that may violate anti-bribery laws (including the U.S. Foreign Corrupt Practices Act (FCPA)). The Legal Compliance and Integrity Office of SAP is conducting investigations with the assistance of an external law firm and voluntarily advised local authorities as well as the U.S. Securities and Exchange Commission (U.S. SEC) and the U.S. Department of Justice (U.S. DOJ). The investigations and dialogue with the local

authorities and the U.S. SEC and U.S. DOJ are ongoing. SAP is cooperating with both the external law firm engaged for the investigation and the authorities.

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. Given the early stage of the comprehensive and exhaustive investigations and the corresponding remediation activities, 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.

We are implementing enhancements to our anti-corruption compliance program, including guidance and policy changes as well as additional internal controls related to compliance with international anti-bribery laws, and additional compliance staff. We continue to be fully committed to FCPA and other anti-bribery law compliance.

Furthermore, we are investigating allegations regarding conduct that certain independent 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 between SAP and certain customers, who may have engaged in unauthorised activities in embargoed countries. The investigations are being conducted by SAP's Legal Compliance and Integrity Office with the assistance of an external law firm.

In this context, SAP voluntarily self-disclosed potential export controls and economic sanctions violations to the U.S. Department of Justice 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. Securities and Exchange Commission (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 SEC.

As a reaction to preliminary findings, SAP has taken remedial actions to terminate access to SAP products and services for certain end users and block additional business activities with these end users through SAP or SAP partners. We are implementing enhancements to our export control compliance program, including adding further capacity to the Export Control Compliance team with a particular focus on high-risk countries.

Given the early stage of the comprehensive and exhaustive investigations and the corresponding remediation activities, 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 2017. 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 or trading position**

Other than the effects described in subsection "Recent Developments" of the section "GENERAL INFORMATION ABOUT THE ISSUER", there has been no significant change in the financial or trading position of SAP Group since the date of the last published audited consolidated financial statements (31 December 2017).

**Trend Information**

There has been no material adverse change in the prospects of SAP SE since 31 December 2017.

**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 can be found on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)), namely:

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

The articles of association may be inspected (free of charge) during normal business hours at the specified office of the Paying Agent and on the website of the Issuer ([www.sap.com](http://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 2016 included in the English language Annual Report 2016 and consisting of
  - Consolidated Income Statements (page 140 in the Annual Report 2016),
  - Consolidated Statements of Comprehensive Income (page 141 in the Annual Report 2016),
  - Consolidated Statements of Financial Position (page 142 and 143 in the Annual Report 2016),
  - Consolidated Statements of Changes in Equity (page 144 in the Annual Report 2016),
  - Consolidated Statements of Cash Flows (page 145 in the Annual Report 2016),
  - Notes to the Consolidated Financial Statements (pages 146 to 212 in the Annual Report 2016),
  - Auditor's report (pages 43 to 47 in the Annual Report 2016).
- (2) The audited consolidated financial statements of the SAP Group for the fiscal year ended on 31 December 2017 included in the English language Annual Report 2017 and consisting of
  - Consolidated Income Statements (page 145 in the Annual Report 2017),
  - Consolidated Statements of Comprehensive Income (page 146 in the Annual Report 2017),
  - Consolidated Statements of Financial Position (page 147 in the Annual Report 2017),
  - Consolidated Statements of Changes in Equity (page 148 in the Annual Report 2017),
  - Consolidated Statements of Cash Flows (page 149 in the Annual Report 2017),
  - Notes to the Consolidated Financial Statements (pages 150 to 219 in the Annual Report 2017),
  - Auditor's report (pages 50 to 56 in the Annual Report 2017),
  - Chapter "Performance Management Systems" of the Combined Management Report (pages 77 to 83 in the Annual Report 2017).

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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