Triodos Investment Management

SAP SE

MEETING DATE	Wed, 20 May 2020 10:00 am	TYPE	AGM	ISSUE DATE	Fri, 15 May 2020
MEETING LOCATION	Virtual Only Meeting: www.sap.com/agm				
CURRENT INDICES	FTSE EuroFirst				
SECTOR	Software				

	PROPOSALS	ADVICE
1	**Receive Financial Statements and Statutory Reports for Fiscal 201** Non-voting agenda item.	**Non-Voting**
2	**Approve the Dividend** The Board proposes a dividend of EUR 1.58 per share. The dividend is covered by earnings. Acceptable proposal.	**For**
3	**Discharge the Management Board** Standard proposal.	**For**
4	**Discharge the Supervisory Board** Standard proposal. No serious governance concerns have been identified.	**For**
5	**Appoint the Auditors** KPMG proposed. No non-audit fees were paid to the auditors in the past three years. This approach is commended. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Triodos opposes this resolution.	**Oppose**
6.1	**Amend Articles: Increase Authorized Capital** The Executive Board and the Supervisory Board propose to replace the current Authorized Capitals I and II, both expiring on May 19, 2020, by new Authorized Capitals I and II, each to be granted for a period of five years. Pursuant to Section 203 (2) in conjunction with Section 186 (4) sentence 2 AktG. The new Authorized Capitals I and II are to be created in the same amount as the current Authorized Capitals I and II from 2015. This means that they are to be created in the amount of EUR 250 million each. Therefore, their total volume will amount to EUR 500 million; this corresponds to a total of approx. 40% of the current share capital of SAP SE. No significant concerns have been identified. The proposed amendments are in line with applicable regulation. Support is recommended.	**For**
6.2	**Authorise the Board to Waive Pre-emptive Rights** It is proposed to exclude pre-emption rights on shares issued over a period of 5 years. The corresponding authority for issuing shares without pre-emptive rights, requested in a previous proposal, does not exceed guidelines (10%). However it is considered that shareholders should be allowed to vote on such resolutions annually. Opposition is recommended.	**Oppose**
7	**Approve Remuneration Policy for the Management Board** It is proposed to approve the remuneration policy for the Management Board. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.	**Oppose**

8	**Approve Fees Payable to the Board of Directors** The Board is seeking approval for Board and Committee membership fees for non-executive directors. As no increase has been proposed, support is recommended.	**For**

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