

SAP Concur Standard: The Public Sector

INTRODUCTION

We at SAP Concur (Concur) are fortunate to provide our products and services to a particularly important part of the market: the public sector. The US government customer is already a significant portion of our customer base and the global public sector customer is an integral part of our future growth and expansion strategy. Operating in the US government and global public sector comes with heightened statutory and regulatory requirements, however, and thus requires a thorough and comprehensive understanding of heightened external obligations as well as the internal standards that we choose to apply to our business.

Consistent with our SAP behavioral principles (tell it like it is, stay curious, embrace differences, keep the promise, and build bridges – not silos), this Public Sector Standard (“Standard”) provides an overview of certain basic principles that must guide our actions and behavior as we support our US government and public sector customers. This Standard is additive to, and does not replace, the SAP Code of Business Conduct for Employees (Code), which is our primary source for guidance on standards of conduct in all business, legal and ethical matters carried out in daily business.

In this Standard you will find more detail about the unique legal and regulatory requirements and ethical principles applicable to us when contracting with the US government and public sector. These include obligations with respect to:

Conducting Business with Integrity (Section II), including:

- Accurate and Truthful Recordkeeping;
- Compliance (with laws, regulations, and the terms of our customer contracts);
- Cost Accounting (treatment of costs incurred in connection with public sector contracts);
- Transportation and Travel (limitations on travel required for public sector contracts);
- Gifts and Entertainment;
- Anti-Kickback Policy;
- Lobbying Restrictions;
- Procurement Integrity/Competitive Information;
- Organizational Conflicts of Interest;
- Personal Conflicts of Interest;
- Recruiting and hiring from the Government;
- Licensing and Credentialing;
- Anti-Corruption;
- Combating Trafficking in Persons;
- Mandatory Disclosure Rule (when information must be disclosed to the US government);
- Cooperating with Internal and Government Investigations;
- Prohibition on Internal Confidentiality Agreements;

Information Security (Section III), including:

- Data/Information Security and Incident Reporting;
- Industry Standards and Certifications (including treatment of third-party audits in connection therewith);

Overseas Business (Section IV), including:

- Foreign Corrupt Practices Act;
- Export-Controlled Information;
- Complying with Sanctions and Anti-Boycott Laws;
- Embargoed Countries and Restricted Parties.

In addition, in Section V of this Standard, you will find additional information about Reporting Ethical Concerns confidentially and, if you prefer, anonymously. **All employees have the affirmative obligation to report concerns about possible Standard violations – as well as violations of the Code, laws and regulations. Reporting options include the SAP Concur IntegrityLine, the Whistleblower Reporting Tool you can access via the SAP portal, and your supervisor. You will also find information on the “Tell it like it is” posters in break areas.**

The topics covered in detail below are important, and all Concur employees are obligated to read and be familiar with the contents of this Standard. Violations of this Standard may result in disciplinary action, varying from reprimand to dismissal. Should you have any questions about this Standard, please contact LCIO.

Mike Eberhard and Jim Lucier

I. OVERVIEW

This Public Sector Standard (Standard) provides additional guidance, as a supplement to the SAP Code of Business Conduct for Employees (Code),¹ regarding the basic principles of conduct to which we must adhere as a responsible partner of our US government and public sector customers. This Standard is intended to provide a broad overview of regulatory requirements and ethical principles that guide our conduct and business processes. It applies to conduct relating to government contracts and awards,² and should be followed by all employees supporting Concur's public sector contracts, and our agents, and representatives, including, where applicable, our subcontractors on our government contracts.

Our policy is to comply with all laws, rules and regulations of the places where we do business. If a law, rule, or regulation is unclear, or conflicts with a provision of this Standard, you should seek advice from SAP's Legal Compliance and Integrity Office (LCIO), but always seek to act in accordance with the ethical standards described herein. In addition, while this Standard attempts to describe certain foreseeable circumstances and to state an employee's obligations in such event, it is impossible to anticipate all possible scenarios. Therefore, in addition to compliance with the Standards and applicable laws, rules, and regulations, all employees are expected to observe the highest standards of business and personal ethics in the discharge of their assigned duties and responsibilities. We all must focus on winning the right way and acting with ethics and integrity in all that we do.

II. CONDUCTING BUSINESS WITH INTEGRITY

Concur requires that all employees conduct themselves with the highest standards of integrity, honesty and fair dealings to preclude an actual conflict or the appearance of conflict between Concur's performance, including its contractual obligations to any government customer, and the personal interest of individual employees.

Accurate and Truthful Record Keeping/Audit – All Concur employees must comply with US laws and regulations relating to accurate and truthful record keeping. As a general matter, these laws and regulations require that government contractors:

- Maintain accurate, truthful and proper completion of reports, certifications, measurement and performance records, service records, and other essential data.
- Advise clients of any clerical or accounting errors as soon as they emerge, as well as promptly correct errors through credits, refunds, or other mutually acceptable means.

Accordingly, all records maintained by Concur must accurately reflect costs and transactions relating to all contracts and awards, including government contracts and awards. In addition, no records may be changed, unless the change is to correct an erroneous record and the change is approved in writing by LCIO and documentation explaining the change is maintained for as long as the record is required to be maintained.

Records relating to government contracts and awards must be maintained for four (4) years following the final fiscal year in which a charge or cost is allocated to, or there is any performance on, the government contract or award.

Compliance Obligations – Our obligations to comply with the terms of our US government customer contracts as well as the laws and regulations relating to these contracts are an important part of doing business in the public sector. We take these obligations seriously and strive to meet or exceed all applicable requirements – both those contained within specific contracts, such as the ETS2 contract, and those generally applicable to government contractors, as outlined in this Standard. Employees should be aware of the laws, rules, regulations, contract terms, policies and procedures applicable to his/her

¹ This Standard does not replace the Code, which is our primary source for guidance on standards of conduct in all business, legal and ethical matters carried out in daily business

² Any reference in this Standard to a government contract means a contract between Concur and a government, or any contract between Concur and any other entity where the services or goods provided are ultimately received by a government or are in performance of any contract between an entity and a government (i.e., subcontracts at any tier).

business conduct, including in connection with a customer contract. As an employee conducts Concur business, he or she may encounter a variety of legal issues or questions. If employees have questions on specific laws, rules or regulations they should be proactive and contact LCIO or the legal team.

Cost Accounting – Concur is subject to a wide range of unique accounting regulations as a result of its government contracts. All costs that are charged to any government contract or award must be allowable and allocable for that contract or award and must be reasonable. Specific government contracts may have terms and conditions regarding what costs may be charged to the contract or award. Employees working on Concur matters are responsible for understanding the terms and conditions of the specific government contracts and awards and ensuring that costs are in compliance with them. Employees with questions as to whether a cost is allowable, allocable, or reasonable should consult with the legal team.

Transportation and Travel – If travel is required under a government contract, employees working on Concur matters must adhere to the requirements of the specific contract regarding travel restrictions. Often, these restrictions require the use of U.S. airlines and rates may be restricted. Any travel that will be paid for or reimbursed under a government contract or award must be approved in advance by the Concur program manager for that contract or award, consistent with its terms.

Gifts and Entertainment – In order to avoid any appearance of impropriety, SAP and Concur prohibit their employees from offering or receiving any gift, entertainment, business courtesy or anything of value to or from a Government Official or a Foreign Official.

With regard to this Standard and the Code of Business Conduct, “anything of value” is defined broadly and potentially includes but is not limited to:

- Cash;
- Cash equivalents (e.g., gift cards);
- Loans;
- Gifts (e.g., perfume, jewelry, club memberships);
- Travel or entertainment (e.g., plane tickets);
- Business advantages;
- Favors;
- Gratuities;
- Discounts;
- Rebates;
- Paying inflated prices or selling at a steep discount;
- Donations to a charity;
- Political contributions;
- Internships or job opportunities

“Government Official” is defined broadly and includes officers or employees of any federal, state, local or other government or public agency, employees of a government-owned or government-controlled company, employees of a public international organization, officials or employees of a political party, and candidates for political office. It also includes any close relatives or organizations closely associated with a Government Official. For purposes of the FCPA (discussed below), any non-U.S. Government Official is defined as a “Foreign Official.”

Anti-Kickback Policy – It is the responsibility of all employees working on Concur matters to act in an ethical manner that brings the best overall value to Concur and its customers, and not to solicit and/or accept personal gain from any transaction. Thus, employees working on Concur matters must not provide or receive any kickback. Specifically, employees working on Concur matters must not:

- Provide, attempt to provide, or offer to provide any kickback;
- Solicit, accept, or attempt to accept any kickback; or
- Include, directly or indirectly, the amount of any kickback in the contract price charged by a prime contractor to the US Government or in the contract price charged by a subcontractor to a prime contractor or higher tier subcontractor.

"Kickback" as used in this Standard means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to any prime contractor, prime contractor employee, subcontractor, or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract. This also applies to the family members of personnel who work on Concur matters, and persons living in the same household with such personnel (whether or not family or otherwise related).

Lobbying Restrictions – No funds provided to Concur in connection with any government contract, grant or other award can be used for lobbying activity. Lobbying can be written or oral, and is defined as an attempt to influence the enactment or defeat of pending or proposed federal or state legislation. For further information on Concur's lobbying restrictions and in the event you have any questions about the scope of this Standard, please contact LCIO.

Procurement Integrity/Competitive Information – Concur does not solicit nor will it knowingly receive any sensitive proprietary internal government information, including budgetary or program information, before it is publicly made available through normal processes or is disclosed to Concur with appropriate authorization by the government. In addition, Concur must not engage in activities to restrict competition and must determine the prices it offers on government contracts and awards independently. Employees may not solicit or receive proprietary or competition-sensitive information about its competitors from improper sources in connection with the award or performance of a government contract.

In addition, employees must be cautious about the methods used to obtain information from government agencies. Employees must also not communicate with other offerors or competitors relating to prices, intentions to submit offers, or methods used to calculate prices. Employees shall make certain that information is obtained only from sources that can make the disclosures or releases with proper authorization. If any employee is unsure of the source of certain information or whether the source is authorized to disclose such information, the employee should promptly consult with the legal team.

Organizational Conflicts of Interest – An Organizational Conflict of Interest ("OCI") arises when existing Concur relationships create an actual or potential conflict of interest for Concur on a government contract, or when the nature of the work to be performed by Concur on one government contract creates an actual or potential conflict of interest on other government contracts that Concur has or is pursuing. For example, Concur may have access to a competitor's cost or other proprietary information when that competitor is a subcontractor on one government contract which can provide an unfair competitive advantage when competing on another government contract. If Concur is participating in a government procurement that may give rise to an actual or potential OCI, LCIO should be consulted for advance review and approval of the effort. Although an OCI may exist, participation in the procurement is possible if the government contracting officer agrees that sufficient actions have been (or will be) undertaken to avoid, neutralize, or mitigate the actual or potential OCI. When there is a concern that a potential OCI may exist, this concern should be promptly reported.

Personal Conflicts of Interest – Concur's policy is to avoid all situations where the private interests of individuals interfere in any way with the interests of Concur and its customers. No employees may perform any task under a government contract or award for which Concur has identified a personal conflict of interest ("PCI") for the employee that Concur or the employee cannot satisfactorily prevent or mitigate in consultation with the contracting agency or higher-tier contractor. A Personal Conflict of Interest ("PCI") arises when an individual employed by Concur or working on a Concur matter, or by a contractor, subcontractor, or a consultant performing on a government contract, has a financial interest or relationship that could impair the employee's ability to act impartially and in the best interest of the Government when performing under such a contract. For example, a PCI may arise if an employee's spouse works at a company which provides services to the government.

We need to be especially sensitive to situations that have even the appearance of impropriety and promptly report them to a supervisor, or to LCIO. Accordingly, any outside employment, investment, or other circumstances that raise any question in this regard must be approved in advance by LCIO. In addition, no employee may use non-public information accessed through performance of a government contract or award for personal gain. Any employee who is concerned about or becomes aware of any PCI

violation by any employee who works on Concur matters must report it to his or her supervisor or to LCIO as soon as he or she becomes aware of it. LCIO is required, in consultation with the legal team, to report this violation to the Contracting Officer of a government customer or a higher-tier contractor as soon as the violation is identified.

Recruiting and Hiring from the Government – Concur follows all applicable US and foreign government conflict of interest and ethics laws, regulations, and policies that dictate how we may recruit and hire present or former Government or Foreign Officials. This includes, but is not limited to, any Government or Foreign Official providing you their resume or initiating an employment discussion with you. This also includes any Government or Foreign Official providing another individual's resume (e.g., co-worker, relative, neighbor). Generally, these laws prohibit: (a) a “revolving door” situation whereby a former Government or Foreign Official could personally benefit in private industry from his/her prior role; and (b) personnel involved in procurements or “personally and substantially” involved with other matters from participating in the same or future like matters. Consult with HR for guidance before having a conversation with a Government or Foreign Official about working at Concur.

Licensing and Credentialing – Many of us require licensure, clearances, certification or other credentialing in order to provide services to our US or global government customers. We are each personally responsible for understanding what requirements are applicable and meeting all these requirements wherever we provide services to the US government. For example, if a government customer contract requires that certain Concur employees have security clearances and/or an IAT Level II credential, it is important to keep these requirements current and valid.

Anti-Corruption – Trust and integrity are critical to our sustained success. We have zero tolerance for bribery and any other forms of corruption. We do not bribe or engage in corrupt practices with any Government or Foreign Official, customer, supplier or any third party or individual. Bribery is the offer, promise, giving, demanding, or acceptance of anything of value as an inducement to obtain or retain business or for any action which is illegal, corrupt, unethical, or a breach of trust.

Combating Trafficking in Persons – Concur and the US Government have a zero-tolerance policy for trafficking in persons, as described in FAR 52.222-50. All employees of Concur are directed to the legal team for further information.

Mandatory Disclosure Rule – When conducting business with the US government, Concur is required to “timely disclose” to the government “credible evidence” of a violation of certain federal criminal laws, a violation of the False Claims Act, or the receipt of “significant overpayment(s)” under a government contract. Failure to comply with this rule can result in significant consequences, including suspension or debarment of Concur and/or its personnel. Federal contractors must demonstrate full cooperation with the government concerning any related audit, investigation or corrective actions. Contact the legal team for further guidance on this rule.

Cooperating with Internal and Government Investigations – Employees are expected and required to fully cooperate with both government, including any Inspector General, and internal investigations. Employees must not destroy or alter any documents or electronic records, intentionally lie to or mislead an investigator, or obstruct the collection of information relating to an investigation.

Prohibition on Internal Confidentiality Agreements – Concur does not require its employees or subcontractors to sign or comply with any confidentiality agreement insofar as that confidentiality agreement may restrict such employees or subcontractors from lawfully reporting waste, fraud, or abuse related to the performance of a government contract to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information. Nothing in this Standard should be interpreted to restrict any individual's ability to report wrongdoing directly to the U.S. government. This does not, however, invalidate confidentiality or non-disclosure agreements otherwise permitted by law.

III. INFORMATION SECURITY

Data/Information Security and Incident Reporting – When collecting, transferring and otherwise handling data/information entrusted to us from government customers, we must always strictly follow the applicable data/information security policies and procedures, provide accurate and truthful information and use secure, approved technologies. For example, government contracts typically contain specific requirements derived from the primary government data security standard - the National Institute of Standards and Technology (NIST) Cybersecurity Framework. We must understand, respect and follow the spirit and letter of any such applicable standards. As such, Concur employees must follow all policies and procedures relating to Concur and/or government contract information systems. Further, employees are not permitted to access or store any information relating to a government contract or award or any data relating to work under a government contract or award on any information system not authorized by Concur's Chief Technology Officer. Concur employees may not disclose any information outside of Concur regarding any government contract without first obtaining written approval from legal.

In addition to safeguarding requirements, Concur is also subject to specific, and stringent, reporting requirements in the event of breaches relating to information systems or cyber incidents, which relevant regulations describe as actions taken through the use of computer networks that result in a compromise or an actual or potentially adverse effect on an information system or the information on that system. Some of these reporting requirements are measured in hours. Any Concur employee who becomes aware of any breach of an information system or a cyber incident must immediately report it as follows:

Reporting Information - IT Security Incidents

Each of us is responsible for promptly reporting information incidents. Please use these resources to make a report:

<https://fiorilaunchpad.sap.com/sites#Help-Inbox&/create/ZSIM/CA>

- Phone: +49 6227 7-50 155
- Email: cybersecurity@sap.com

Industry Standards and Certifications – As a trusted and significant software provider to the US government, we are subject to and must strictly follow applicable industry standards. For example, Concur follows Service Organization Control (SOC), International Organization for Standardization (ISO) and Payment Card Industry (PCI) standards, among others. In the process of providing information to the third parties who audit and provide reports relating to Concur's compliance with these standards, we do our own analyses, testing and generate a variety of related certifications. It is critical that these certifications be based on accurate, truthful and documented facts. In addition, Concur must not rely on third party audits or certifications it knows to be inaccurate. It is important that we respect, support and follow the processes and internal controls that underlie these standards and related certifications.

IV. OVERSEAS BUSINESS

Foreign Corrupt Practices Act – The US Foreign Corrupt Practices Act (FCPA) prohibits Concur and its agents, officers, and employees from offering, promising, or paying any money, gift, or anything of value to any Foreign Official, or to any other person while knowing that the money, gift, or other thing of value will be offered or given, directly or indirectly, to a Foreign Official for the purpose of:

- Influencing any act or decision of the Foreign Official,
- Inducing the Foreign Official to do or omit any action in violation of his/her lawful duty;
- Inducing the Foreign Official to use his/her influence with the government or any government instrumentalities to affect any decision of the government or any government instrumentality; or
- to obtain any improper advantage;

in order to assist in obtaining or retaining business for Concur or any person.

Export-Controlled Information – We comply with regulations administered by various government agencies (including the US Department of Commerce and the US Department of State) related to the export of certain goods, services, technology or related “export-controlled information” from the US. Export-controlled information or material is any information or material that cannot be released to foreign nationals or representatives of a foreign entity, without first obtaining governmental approval or license. Export-controlled information must be controlled as sensitive information and marked accordingly. As such, and out of an abundance of caution, employees working on Concur matters must not transfer any U.S. government-funded products or information to a foreign person, without obtaining approval from the legal team, who will determine if Concur needs to obtain a license or other permission under the terms of the relevant government contract before the transfer of such material.

Complying with Sanctions and Anti-Boycott laws – Concur complies with all applicable economic sanctions and anti-boycott laws and regulations. Our employees are therefore prohibited from traveling to, engaging in transactions with, or providing support to certain countries, individuals, and entities, unless the activity is licensed by the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC). Similarly, U.S. anti-boycott laws prohibit Concur and its employees from participating in a boycott that the U.S. government has not approved, as indicated on published U.S. Department of Commerce guidance.

Embargoed Countries and Restricted Parties – The US government maintains commercial embargoes against a number of countries and also restricts US persons from conducting business with certain restricted persons and entities. We must always make sure that we are not doing business in embargoed countries nor doing business with restricted persons and entities.

V. REPORTING ETHICAL CONCERNS

We all have the affirmative obligation to speak up when something doesn’t feel right. If you observe or suspect illegal or unethical behavior, you are obligated to raise the issue using one of the methods described below.

The SAP Concur IntegrityLine and the SAP Whistleblower Reporting Tool are available resources to report actual or suspected illegal or unethical behavior, and are also resources for asking a question or raising a concern. All matters are taken seriously and handled confidentially and discussed only on a need-to-know basis. If you prefer, you may submit your report or concern anonymously to the SAP Concur IntegrityLine.

You can contact the SAP Concur IntegrityLine by calling: **844-673-5505**

You can also submit an anonymous report at our IntegrityLine provider’s website at www.sapconcur.ethicspoint.com

Always keep in mind that it’s safe to speak up at Concur

Retaliation against employees who raise concerns in good faith is strictly prohibited. If you report a concern, it will be handled with appropriate confidentiality and discussed with others only as needed or advisable under the circumstances.