Overview with details required pursuant to section 125 of the German Stock Corporation Act ("AktG") in conjunction with Table 3 of the Commission Implementing Regulation (EU) 2018 / 1212

A. Specification of the Message

1. 2022 Virtual Annual Shareholders' Meeting of Software Aktiengesellschaft

   Unique identifier: 631cf05978aeec11812d005056888925
2. Call of Annual Shareholders' Meeting

B. Specification of the Issuer

1. ISIN: DE 000A2GS401
2. Name of Issuer: Software Aktiengesellschaft

C. Specification the Shareholders' Meeting

1. Date of Annual Shareholders' Meeting: May 17, 2022
2. Time of Annual Shareholders' Meeting: 10.00 am (Central European Summer Time ("CEST")) corresponds to 8.00 am UTC)
3. Type of the Shareholders' Meeting: Virtual Annual Shareholders' Meeting without physical presence of the shareholders or their proxies
4. Location of the Shareholders' Meeting: www.softwareag.com/hauptversammlung

   Location of the Shareholders' Meeting within the meaning of the German Stock Corporation Act: darmstadtium Wissenschafts- und Kongresszentrum, Schlossgraben 1, 64283 Darmstadt
5. Technical Record Date: May 10, 2022, midnight (Central European Summer Time ("CEST")) (corresponds to 10.00 pm UTC). For purposes of determining the right to attend and vote, irrespective of any securities account holdings, the shareholding entered on the share register on the date of the Annual Shareholders' Meeting is dispositive. Any applications to amend the share register which the Company receives after the expiration of the registration period from May 11, 2022 up to and including May 17, 2022 will not be validly processed until after the Annual Shareholders' Meeting on May 17, 2022. The so-called 'Technical Record Date' is thus the end of the day (midnight) on May 10, 2022.
6. Web page for the Shareholders' Meeting / URL: www.softwareag.com/hauptversammlung

Notice

of the Annual
Shareholders' Meeting of
Software AG, Darmstadt

WKN A2GS40
ISIN DE 000A2GS401

We hereby invite our shareholders to the
Annual Shareholders' Meeting

to be held virtually

on Tuesday May 17, 2022, at 10.00 am CEST.

On the basis of section 1 of the Act on Measures in Corporate, Cooperative, Association, Foundation and Home Ownership Law to Combat the Effects of the COVID-19 Pandemic (hereinafter "COVMG"), a virtual Shareholders' Meeting will be held by the Company again this year. Shareholders and their proxies (with the exception of the Company's proxies) will have no right and no ability to attend in person at the location of the Annual Shareholders' Meeting. More specific information about the rights of shareholders and their proxies is set forth below under Additional Information and Notices. The entire meeting will be broadcast (in image and sound) for the shareholders and their proxies *via* the Company's shareholder portal at www.softwareag.com/hauptversammlung.

The location of the Annual Shareholders' Meeting within the meaning of the German Stock Corporation Act is:
darmstadtium Wissenschafts- und Kongresszentrum, Schlossgraben 1, 64283 Darmstadt.

Letter from the Management Board

Software AG delivered strong performance in 2021 with a clear Digital Business reacceleration in the fourth quarter. Our Helix transformation has built a robust springboard for growth in 2022 and beyond.

DEAR LADIES AND GENTLEMEN,
DEAR SHAREHOLDERS,

On behalf of the Management Board, I am pleased to present our 2021 Annual Report. We closed the third year of our transformation program with strong momentum, driven by the reacceleration of our Digital Business, powered by our cloud-native product sets and our ongoing subscription shift. Our performance has strengthened my conviction that we have the plan, the products, the team and the momentum to enter a new phase of growth in 2022. Last year our global team remained connected, dedicated and resilient in delivering for our customers – and this will not change in 2022. I'd like to thank them all.

A CRUCIAL YEAR OF TRANSFORMATION PROGRESS

During 2021, we delivered strong financial performance despite the ongoing COVID-19 pandemic. Bookings in our Digital Business reaccelerated with 15 percent growth in the fourth quarter to €164.8 million, bringing full-year bookings to €406.0 million. This represented 12 percent growth year-on-year. While Group revenue for the year increased 1 percent over 2020, reflecting the impact of our subscription shift on revenue recognition, total recurring revenue represented more than three-quarters of total Group revenue for the first time and reached 92 percent of our product revenue total. This key metric is ahead of our 2023 ambition of 85 to 90 percent recurring product revenue, reflecting the increasing predictability and quality of our revenue stream. Total product revenue grew 3 percent year-on-year, reaching the middle of our guidance range. We also made excellent progress with our other key performance indicators during 2021. Our annual recurring revenue (ARR) was €585.4 million at the end of 2021, representing 11 percent growth year-on-year. ARR in our Digital Business was up 12 percent year-on-year to €418.5 million. The proportion of subscription and Software as a Service bookings within our Digital Business in 2021 also grew to 88 percent in both the fourth quarter and the full year. This key indicator for the progress of our subscription shift was up from 84 percent in the fourth quarter of 2020 and 81 percent in the full year 2020.

Our Adabas & Natural business delivered another strong year, meeting our increased guidance ranges. Bookings of €30.3 million during the fourth quarter and €111.7 million for the full year represented expected declines of 40 percent and 11 percent respectively.

Despite our ongoing investment in Helix, we maintained our commitment to profitability in 2021 with strong cost management, delivering an operating profit (EBITA, non-IFRS) of €163.8 million at an operating margin of 19.6 percent, ahead of our guidance range. Net income (non-IFRS) was €114.2 million, or €1.54 per share for the year.

This strong performance reflects the strategic progress we made with our Helix program in 2021, continuing under our **Focus, Execution and Team** pillars, directly impacting our financial results. Since the start of Helix, our aim has been to ensure we had the best **products** in areas that will drive our future growth. The Digital Business momentum we saw in the fourth quarter was driven by our cloud-native products with high double-digit bookings growth from webMethods.io, Cumulocity IoT and ARIS Process Mining. This shows our products are resonating with customers, driving our subscription shift and ensuring a record year for new logos, with 312 wins in 2021 and 106 wins in the fourth quarter.

On migrations, we moved just over 20 percent of our Digital Business maintenance baseline to subscription contracts at the end of the fourth quarter, at an average multiplier of 1.4x in 2021, leaving us 80 percent runway left to continue creating value. On renewals, the customer lifetime benefits of our subscription model are showing through, and we expect this return on investment to increase as renewal cohorts grow in 2022 and beyond.

Finally, the strength of our **team** has increased significantly through Helix and our cultural transformation continues to progress, with a record employee engagement score of 4.14 out of 5 in our latest employee survey, up 0.22 points from last year, showing our workforce is fully aligned behind our strategy and action plan.

OUR GROWING MARKET OPPORTUNITY

Software AG operates at the heart of an accelerating global market trend towards digital transformation. Our vision for the Truly Connected Enterprise is responding to a $28 billion market opportunity. Our integration and API as well as business transformation total addressable markets are each growing at 10 percent compound annual growth rate (CAGR) to 2024, while our IoT & Analytics total addressable market is growing at 26 percent. Our Digital Business, which directly addresses these markets, has now grown its product revenue in three consecutive quarters.

The COVID-19 pandemic has strengthened the need for businesses to drive towards the ideal of a Truly Connected Enterprise, particularly as they grapple with changes to the working locations, practices and needs of their employees. Our cloud-native, multi-tenant and subscription-ready product set continues to resonate strongly in both our installed and potential customer base and is helping us to regularly win new agreements in competitive situations. We are well placed to capitalize on this growing market opportunity as we enter 2022 with strong momentum, particularly in our Digital Business.

Going forward, our ambition is to build an end-to-end digital backbone that helps our customers overcome mission-critical data and transaction silos. Software AG is on an exciting journey to empower the world's leading companies to build new connected business models that better serve their customers.

ENTERING A NEW PHASE OF GROWTH

This fourth year of Helix presents a hugely exciting opportunity for our business as we look to capitalize on the springboard provided by our Helix transformation and push for growth, with the support of our new strategic partner in Silver Lake. Our 2022 guidance is a clear step up from 2021 and is underpinned by our confidence in the three clear growth drivers that supported our performance last year and form the building blocks of our growth path going forward. We will continue to grow new business by accelerating land-and-expand activity; leverage innovation to create incremental value through migrations; and will see the contribution of our renewal cohorts increase significantly.

Our 2022 guidance shows that we remain focused on profitable growth and margin expansion going forward. This will be driven by growth in our top line combined with greater emphasis on operational efficiency and productivity to fund our ongoing investments in growth. We have also reconfirmed our 2023 ambitions, reiterating our aims around top-line growth, margin expansion, increasing recurring revenues and continuing to grow our Digital Business, with clear plans in place to ensure we deliver on these ambitions. Beyond these organic growth plans, we are also looking to access more of our addressable market through M&As in 2022 and Silver Lake will be actively supporting Software AG in driving this forward.

I am proud of how we finished 2021 with our performance showing we have strong momentum as we start 2022, particularly in our Digital Business. I would like to extend my deepest appreciation to our employees, who inspire me every day with their resilience, commitment and team spirit. Thank you to our customers, partners and investors for their partnership and trust in our Company.

The Management Board and I look forward to driving Software AG towards our ambitions and continuing to build and grow our business towards sustainable and profitable long-term growth.

Yours sincerely,

Sanjay Brahmawar
Chief Executive Officer

Agenda

1. Submission of the approved annual financial statements of Software AG per December 31, 2021 and the approved consolidated financial statements per December 31, 2021 together with the combined management report, the explanatory report of the Management Board concerning the information pursuant to sections 289a, 315a of the German Commercial Code ("HGB"), as well as the report of the Supervisory Board for fiscal year 2021.

The aforementioned documents and the Management Board's recommendation on the use of profits (see Agenda Item 2 below) will be available on the Company's website at www.softwareag.com/hauptversammlung beginning on the date the notice for the Annual Shareholders' Meeting is officially published (i.e. when the meeting is formally called). The combined management report summarizes the report on the condition of the Group and Software AG. The Supervisory Board has approved the annual financial statements prepared by the Management Board as well as the consolidated financial statements; the annual financial statements are therefore deemed adopted in accordance with the first sentence of section 172 sentence 1 of the German Stock Corporation Act ("AktG"). Hence, there is no need for the Annual Shareholders' Meeting to adopt a resolution thereon.

2. Resolution on the use of the non-appropriated balance sheet profits

The Management Board and the Supervisory Board recommend using the non-appropriated balance sheet profits (*Bilanzgewinn*) for fiscal year 2021 in the amount of EUR 65,451,298.23 as follows:

Payment of a dividend to the shareholders in the amount of EUR 0.76 per registered share on the registered share capital entitled to dividends for 73,979,889 dividend-entitled shares	
Distribution to shareholders of	EUR 56,224,715.64
Profit carried forward	EUR 9,226,582.59
Non-appropriated balance sheet profits per December 31, 2021	EUR 65,451,298.23

The recommendation on the use of non-appropriated balance sheet profits takes account of the treasury shares, which are held by the Company and are not entitled to dividends, as of the date on which the Management Board and the Supervisory Board adopt the resolution (Reference Date: March 18, 2022).

The number of shares entitled to dividends may increase or decrease up until the date of the Annual Shareholders' Meeting in the amount by which the Company acquires or uses more of its own shares. In that case, a revised recommendation on the use of the non-appropriated balance sheet profit will be submitted to the Annual Shareholders' Meeting, with the amount of dividend per dividend-entitled share remaining the same.

3. Resolution on ratifying the actions of the Management Board members for fiscal year 2021

The Management Board and the Supervisory Board recommend ratifying the actions taken by the 2021 members of the Management Board for fiscal year 2021.

4. Resolution on ratifying the actions of the Supervisory Board members for fiscal year 2021

The Management Board and the Supervisory Board recommend ratifying the actions taken by the 2021 members of the Supervisory Board for fiscal year 2021.

5. Appointment of the annual financial statements auditor for fiscal year 2022

After having carried out the legally required selection process consisting of multiple stages for auditors, the Audit Committee recommended to the Supervisory Board for the Annual Shareholders' Meeting to propose Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, to serve as the auditor of the Company and of the Group for fiscal year 2022 and for any formal review of the half-year financial report for fiscal year 2022.

Based on the recommendation of the Audit Committee, the Supervisory Board recommends engaging the accounting firm Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich,

a) to serve as the annual financial statements auditor (*Abschlussprüfer*) of the Company and of the Group for fiscal year 2022 and
b) to serve as the auditor for any formal review (*prüferische Durchsicht*) of the half-year financial report for fiscal year 2022.

6. Resolution on the remuneration report

Following the amendment of the AktG by Act Implementing the Second Shareholder Rights Directive (ARUG II), a remuneration report pursuant to section 162 AktG must be prepared by the Management Board and Supervisory Board and presented to the Annual Shareholders' Meeting pursuant to section 120a (4) AktG for approval.

The Company's remuneration report was reviewed by the auditor pursuant to section 162 (3) AktG to determine whether the legally required details pursuant to section 162 (1) and (2) AktG have been provided. A review of the content was also carried out by the auditor above and beyond the statutory requirements. The auditor's report on the audit of the remuneration report is enclosed with the remuneration report.

The Management Board and the Supervisory Board recommend approving the remuneration report for fiscal year 2021, which has been prepared and reviewed pursuant to section 162 AktG.

The remuneration report is included in this notice to the meeting and follows the agenda in the "Reports" section, and is accessible from the notice of the calling of the Annual Shareholders' Meeting via our website at www.softwareag.com/hauptversammlung. It will also be available there during the Annual Shareholders' Meeting.

7. Resolution approving the remuneration system of the Management Board

Pursuant to the Act Implementing the Second Shareholder Rights Directive (ARUG II), a new section 120a AktG was enacted. Section 120a para. 1 AktG provides that the shareholders' meeting of any publicly listed company shall deliberate and decide on the remuneration system presented by the supervisory board for members of the management board whenever there is a significant change, but at least every four years. The Annual Shareholders' Meeting last approved the remuneration system presented by the Supervisory Board at the Annual Shareholders' Meeting on May 12, 2021.

The Personnel Committee and Supervisory Board of Software AG had extensively addressed the remuneration system of its Management Board members and enacted a change as of January 1, 2022. This change refers to the structure of the annual targets (short-term incentive). The weighting of the individual components was adjusted as follows:

Previous system	**Changes**
Short-term variable compensation of Management Board members **70%** dependent on corporate financial targets.	Short-term variable compensation of Management Board members **75%** dependent on corporate financial targets.
Short-term variable compensation of Management Board members **20%** dependent on individual financial or non-financial financial targets of the respective Management Board members.	Short-term variable compensation of Management Board members **15%** dependent on individual financial or non-financial financial targets of the respective Management Board members.

Based on the recommendation of its Personnel Committee, the Supervisory Board proposes consenting to the following remuneration system for the Management Board members adjusted correspondingly and approved by the Supervisory Board, effective as of January 1, 2022:

a) Basic features of the remuneration system

The Management Board compensation system ("remuneration system") has been designed to be simple, comprehensible and clear. It complies with the requirements of the German Stock Corporation Act as amended by the Act Implementing the Second Shareholders' Rights Directive of December 12, 2019 (Federal Law Gazette Part I 2019, No. 50 of December 19, 2019).

The remuneration system applies to potential contract extensions and to new service contracts to be concluded with Management Board members beginning January 1, 2022. With respect to current contracts contractual modifications would be required which are subject to the individual consent of each Management Board member.

b) Details of the remuneration system

(1) Maximum Remuneration (section 87a para. 1 s. 2 no. 1 AktG)

The total remuneration to be granted for a fiscal year (total of all remuneration amounts expended for the fiscal year in question, including fixed annual salary, variable remuneration components, pension provision expenses and fringe benefits) of the members of the Management Board - irrespective of whether it is paid out in this fiscal year or at a later date - is capped in absolute terms ("Maximum Remuneration").

The maximum remuneration for the Chief Executive Officer (*Vorstandsvorsitzenden*) is set at EUR 5,900,000, the maximum remuneration for each of the Management Board Members is set at EUR 2,900,00.

Should the total remuneration calculated for a fiscal year exceed the Maximum Remuneration, then the amount paid out from the Long Term Incentive ("LTI") should be reduced to the extent necessary to adhere to the Maximum Remuneration level. If necessary, the Supervisory Board may reduce other remuneration components in its due discretion or demand repayment of remuneration that was already granted.

Independent of the fixed Maximum Remuneration, the amounts of each of the individual variable remuneration components that are to be paid are also limited.

(2) Contribution of the remuneration to promoting the business strategy and the long-term development of Software AG (section 87a para. 1 s. 2 no. 2 AktG)

The remuneration system promotes Software AG's business strategy and long-term interests and thus contributes to Software AG's long-term development. Strengthening the profitable and sustainable growth of Software AG's business divisions is the focus and basis for the structure of the remuneration system for the members of the Management Board.

In this context, the remuneration system is adjusted to different targets aiming at profitability (in terms of profit margin), at growth (in terms of revenue and annual recurring revenue), at the development of company value (in terms of the stock price) and at environmental and social sustainability (in terms of ESG targets). These targets include, in particular, the long-term goals set out in the Helix strategy. The financial and non-financial criteria have different, but mostly perennial, terms, in order to support the strategic success of the Company permanently. Particular attention is paid to achieving the greatest possible congruence between the interests and expectations of the shareholders and of the Management Board remuneration.

(3) Overview of the fixed and variable remuneration components and their respective relative proportion of the remuneration (section 87a para. 1 s. 2 no. 3 AktG)

The revised remuneration system of the Management Board members comprises fixed and variable components. The fixed components of the remuneration for the Management Board members are the fixed annual salary, the pension provision expenses and fringe benefits. The variable components are the short-term variable remuneration ("STI") and the long-term variable remuneration. The long-term variable remuneration is comprised of the Performance-Phantom-Share (PPS) program and the Long-Term Incentive Plan ("LIP")

The proportion of the long-term variable remuneration to the total remuneration exceeds the proportion of the short-term variable remuneration. This applies to the target remuneration as well as the maximum remuneration.

i. Determination of the target total remuneration and the relative proportion of the respective remuneration components to the target total remuneration

The Supervisory Board determines a target total remuneration for the individual Management Board members. The target total remuneration comprises the total of all of the remuneration components which are relevant for the total remuneration. For STI and LTI, the respective target amounts upon 100% fulfilment of the targets for the budget ("Target Amounts of the Variable Remuneration Components") are decisive. The Supervisory Board determines the Target Amounts of the Variable Remuneration Components for each fiscal year. The Supervisory Board resolves, on the basis of the results determined for the previous fiscal years, in the course of planning the budget for the ongoing fiscal year, targets which the Company should achieve with regard to the performance criteria set forth in section (4).

For the fiscal year 2022 and with respect to the Chief Executive Officer, the expected proportion of the fixed remuneration (fixed annual salary, pension expenses and fringe benefits) is approximately 32% of the target total remuneration and the proportion of the variable remuneration is approximately 68% of the target total remuneration. The proportion of the STI (target amount) is approximately 25% of the target total remuneration, the proportion of the LTI (target amount) is approximately 43% of the target total remuneration. In the case of ordinary Management Board members with respect to the fiscal year 2022, the expected proportion of the fixed remuneration (fixed annual salary, pension expenses and fringe benefits) is between approximately 38% and approximately 40% of the target total remuneration and the proportion of the variable remuneration is between approximately 60% and approximately 62% of the target total remuneration. The proportion of the STI (target amount) is between approximately 16% and approximately 20% of the target total remuneration the proportion of the LTI (target amount) is between approximately 42% and approximately 44% of the target total remuneration.

For the Chief Executive Officer, the proportion of the STI (target amount) is approximately 37% of the variable remuneration, the proportion of the LTI (target amount) is approximately 63% of the variable remuneration. In the case of ordinary Management Board members, the proportion of the STI (target amount) is between approximately 27% and approximately 32% of the variable remuneration, the proportion of the LTI (target amount) is between approximately 68% and approximately 73% of the variable remuneration.

ii. Fixed remuneration components

The fixed components of the remuneration for the Management Board members are the fixed annual salary, fringe benefits and the pension provision.

a. Fixed annual salary

The Management Board members receive a fixed annual salary in twelve monthly equal instalments, each to be paid at the end of a given month. The amount of the fixed annual salary is based on the tasks and the strategic and operative responsibility of the individual Management Board member.

b. Pension payments

Management Board members who are domiciled in Germany receive an additional annual cash payment to support their private pension provision. The payment is fixed at EUR 250,000 for the Chief Executive Officer and at EUR 150,000 for the ordinary Management Board members.

c. Fringe benefits

Additional (fringe) benefits consist of the provision of an appropriate company car for business and private use or, alternatively, the provision of a monthly car allowance and group accident insurance coverage. Furthermore, the Management Board members are covered by the D&O insurance of Software AG.

iii. Variable remuneration components

The variable components are the short-term variable remuneration ("STI") and the long-term variable remuneration. The long-term variable remuneration is comprised of the Performance-Phantom-Share (PPS) program and the Long-Term Incentive Plan ("LIP"). The amount of the fixed annual salary is based on the tasks and the strategic and operative responsibility of the individual Management Board member as well as on the short- and long-term success of the Company. The payout amounts are based on the achievement of performance targets by the Company.

a. Short-term incentives

The short-term variable compensation of the Management Board members is based on the financial and non-financial results of the respective fiscal year. In the fiscal year 2022, 75% is dependent on corporate financial targets, 15% on individual financial or non-financial targets of the respective Management Board members and 10% on ESG targets, which may be defined individually or collectively for one or all Management Board members. The short-term incentive is payable only if certain thresholds are exceeded or reached.

The amount payable under the STI is limited to a maximum of 200% of the target amount (Payout Cap).

Target achievement is determined by the Supervisory Board each year before payment of the STI. The average target achievement is calculated from the respective target achievement of the financial, individual and ESG targets and the stated weighting of the targets. More detailed information on the performance criteria is presented under (4). The amount paid out generally corresponds to the target amount multiplied by the average target achievement. In case of a target achievement above 100%, one-third of the target overachievement is not paid out directly, but transferred to the PPS program (see b., also see Figure 1).

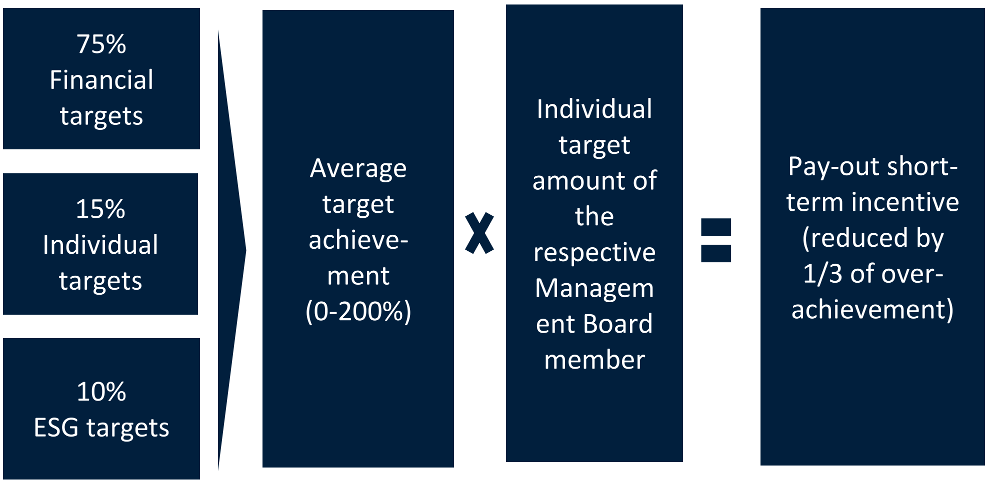


Figure 1

Should the Management Board service contract begin or end in an ongoing fiscal year, then the amount payable will be reduced *pro rata temporis* in relation to the fiscal year.

Should any extraordinary events or developments arise, e.g. the acquisition or sale of a part of the undertaking, then the Supervisory Board shall be entitled to adjust the terms of the STI plan temporarily and in a reasonable way. General negative market developments do not qualify as extraordinary events or developments. The same applies analogously if changes in the accounting rules applicable for the Company have a material effect on the relevant parameters for the calculation of the STI, as well as in the event that a fiscal year has less than twelve months (short fiscal year).

b. Performance-Phantom-Share (PPS)-Program

The long-term variable remuneration of the Management Board members under the PPS program is based on the sustainable growth of the Company. The remuneration is granted on share basis annually to members of the Management Board of Software AG in the form of performance phantom shares.

Each tranche has a term of four years tracking into the future.

The grant amount of the PPS program is determined by the individual target amount of the Management Board member multiplied by the target achievement of the STI. At the time the PPS program is granted, the individual grant amount for the PPS program plus the amount transferred from the STI is converted into virtual (phantom) shares on the basis of the reference share price of Software AG stock and awarded to the Management Board members as a calculated value. The reference share price is determined as the average share price of Software AG stock in the February preceding the granting, less 10%.

At the end of the four-year term, a cash settlement takes place on the basis of the average price of Software AG stock in February as of the end of the term (see Figure 2).

The amount payable under the PPS program is limited to a maximum of 200% of the target amount.

Figure 2

If, due to the Management Board member's own personal reasons, the Management Board service contract ends during an ongoing fiscal year, then all payable amounts of the granted or to be granted tranches will lapse except those tranches that will be paid out in the next fiscal year.

All claims to payout under the PPS program from an ongoing fiscal year and claims from prior years that are not yet due will be forfeited without reimbursement or compensation if the Management Board service contract ends due to a termination for cause by the Company ("wichtiger Grund") pursuant to section 626 of the German Civil Code (BGB)).

Should any extraordinary events or developments arise, e.g. the acquisition or sale of a part of the undertaking, then the Supervisory Board shall be entitled to adjust the terms of the PPS program temporarily and in a reasonable way. General negative market developments do not qualify as extraordinary event or development. General negative market developments do not qualify as extraordinary events or developments. The same applies analogously if changes in the accounting rules applicable for the Company have a material effect on the relevant parameters for the calculation of the PPS payout, as well as in the event that a fiscal year has less than twelve months (short fiscal year).

c. Long-Term Incentive Plan (LIP)

The long-term variable remuneration of the Management Board members under the Long-Term Incentive Plan is geared toward the Company's sustainable growth. The LIP program replaces the Management Incentive Plan (MIP) that also had long-term focus. Remuneration is granted annually to members of Software AG's Management Board in the form of virtual options.

Each tranche has a term of four years tracking into the future.

The LIP consists of two equally weighted parts. At the time the LIP is granted, 50% of the individual target amount of the respective Management Board member is converted to virtual options for Part 1 and Part 2 each and is awarded to the Management Board members as a calculation value. The value of the virtual option allocated for Part 1 and Part 2 are each 50% of the individual target amount for the LIP, based on the fair value calculation.

The number of virtual options at the end of the four-year term is determined by the number allocated and the performance factors.

The performance factor applied to the Part 1 is determined on the basis of the relative outperformance of the Software AG share price against the MDAX index during the four-year term, in accordance with the schedule shown in Figure 3. The outperformance is determined as the difference of the value increase of the Software AG stock price and the value increase of the MDAX index. The performance factor attains the minimum of 0 at an outperformance below 0%. The performance factor attains the maximum of 2 at an outperformance of at least 20%. The value of a virtual option for Part 1 is determined as the product of outperformance and initial Software AG stock price (see Figure 4). The amount payable for Part 1 of the LIP is limited to a maximum of 200% of the target amount for Part 1 of the LIP.

	Performance Faktor
Outperformance ≥ 20 %	200 %
20 % > Outperformance ≥ 18 %	190 %
18 % > Outperformance ≥ 16 %	180 %
16 % > Outperformance ≥ 14 %	170 %
14 % > Outperformance ≥ 12 %	160 %
12 % > Outperformance ≥ 10 %	150 %
10 % > Outperformance ≥ 8 %	140 %
8 % > Outperformance ≥ 6 %	130 %
6 % > Outperformance ≥ 4 %	120 %
4 % > Outperformance ≥ 2 %	110 %
2 % > Outperformance ≥ 0 %	100 %
0 % > Outperformance	0 %

Figure 3

The Performance Factor applied to Part 2 is determined based on the target performance of revenue, profit margin and annual recurring revenue (“ARR”) during the four-year term. The Supervisory Board determines a minimum performance (“threshold achievement”), target performance (“target achievement”) and maximum performance (“maximum achievement”) for each target for each tranche of the LIP for the next four years. The achievement factor for each target is 0% at threshold achievement, 100% at target achievement and 200% at maximum achievement. Between threshold and target achievement and between target and maximum achievement, linear interpolation is used. The maximum achievement is the thereby limited per target and in total to 0 – 200%. The Performance Factor applied to Part 2 is determined as the average of the achievement factors for revenue, profit margin and annual recurring revenue growth each target equally weighted with 1/3. The value of each virtual option for Part 2 is defined as the difference of the Software AG stock price between at the beginning and at the end of the four-year term (see Figure 4). The amount payable for Part 2 of the LIP is limited to a maximum of 200% of the target amount for Part 2 of the LIP.

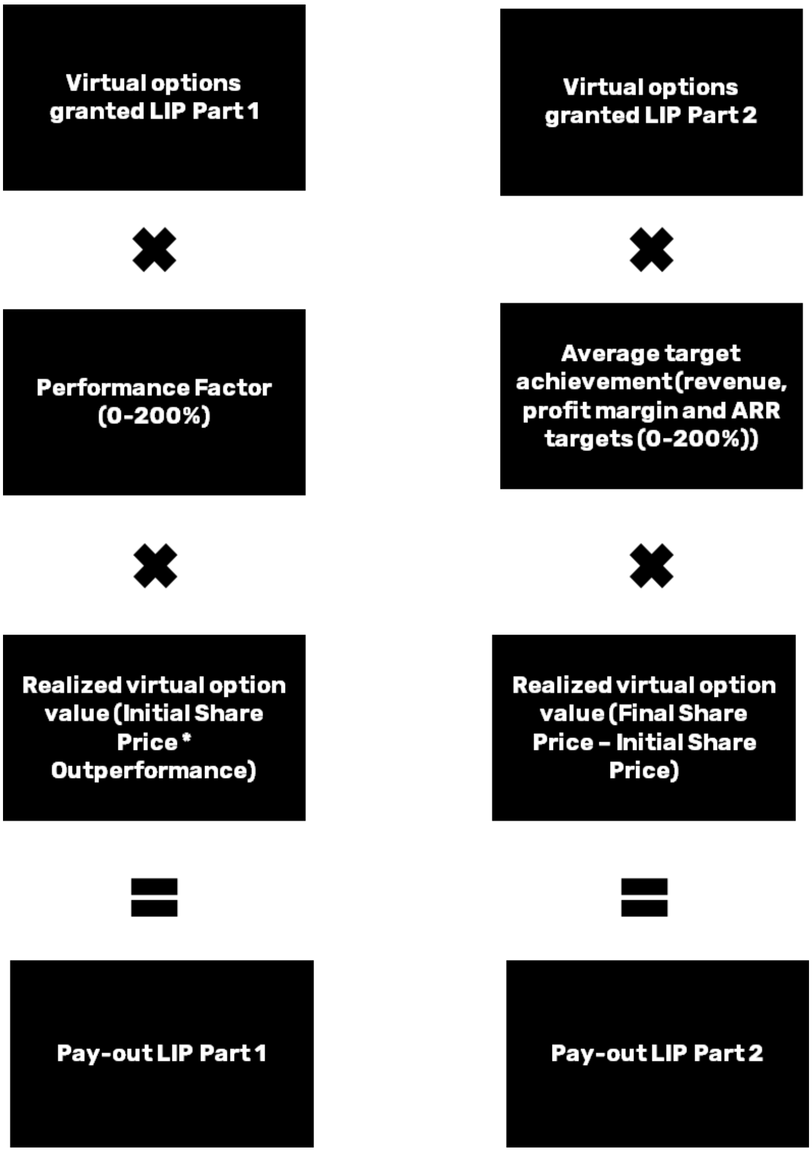


Figure 4

More detailed information on the performance criteria is presented under (4).

Should the Management Board service contract begin or end during an ongoing fiscal year, then the amount payable will be reduced pro rata temporis in relation to the fiscal year.

All claims to the LIP from an ongoing fiscal year will be forfeited without reimbursement or compensation if the Management Board service contract ends due to a termination for cause by the Company ("wichtiger Grund") pursuant to section 626 of the German Civil Code (BGB).

Should any extraordinary events or developments arise, e.g. the acquisition or sale of a part of the undertaking, then the Supervisory Board shall be entitled to adjust the terms of the LIP plan temporarily and in a reasonable way. General negative market developments do not qualify as extraordinary event or development. The same applies analogously if changes in the accounting rules applicable for the Company have a material effect on the relevant parameters for the calculation of the LIP, as well as in the event that a fiscal year has less than twelve months (short fiscal year).

iv. Share Ownership Guidelines

Under the Share Ownership Guidelines, the members of the Management Board are also contractually obligated to hold Software AG shares worth a net annual base salary permanently during their term of office after a four-year build-up phase.

Compliance with this obligation must be demonstrated for the first time after the four-year build-up phase and annually thereafter. If, as a result of fluctuations in the price of Software AG stock, the value of the stock accumulated falls below the amount to be proven in each case, then the Management Board member will be obligated to make a subsequent purchase.

(4) Performance criteria for the granting of variable remuneration components (section 87a para. 1 s. 2 no. 4 AktG)

The cited financial and non-financial performance criteria contribute to the promotion of the business strategy and the long-term development of the Company. The achievement of these targets will be measured as follows:

The variable remuneration components are structured in such a way as to create an appropriate incentive system for the implementation of the corporate strategy and a sustainable value creation and increase in value. Particular attention is paid to achieving the greatest possible congruence between the interests and expectations of the shareholders and of the Management Board remuneration. The variable remuneration is linked to the target of a sustainable increase in the corporate value and therefore consists of a short-term and a long-term variable component. The remuneration system developed by the Supervisory Board provides a great deal of transparency by linking the performance figures to clearly defined indicators for profitability, value creation and sustainable development. The sustainable business orientation, as well as the social and environmental responsibility of Software AG, is reflected in the ESG targets, which likewise form the basis of the variable remuneration of the Management Board. The aim of the shareholding obligations and the consistently share-based granted LTI is to align the actions of the Management Board members with the long-term and sustainable value creation of the Company and to further strengthen the alignment between shareholder and Management Board interests.

The Supervisory Board sets the performance criteria for the STI and the LTI on a binding basis for the upcoming fiscal year. The respective payout amounts are calculated after the end of the fiscal year on the basis of target achievement. The Supervisory Board has the option to adjust the terms of the STI and LTI in a reasonable way only in the event of extraordinary events; otherwise, the Supervisory Board has no discretion in determining the payout amounts from STI and LTI.

i. Short-Term Incentive

The relevant financial and non-financial performance criteria for calculating the payable amount for the STI are financial, individual, and ESG targets that are selected by the Supervisory Board and determined annually for the grant year.

As financial performance criteria for the fiscal year 2022, the Group revenue and earnings targets that are communicated to the capital market are used. In addition, each member of the Management Board agrees to different quantitative or qualitative targets relevant to the respective area of responsibility, which are in the interest of the medium to long-term strategic development of the Company. The individual targets can, among other things, support the implementation of sales and growth targets, the corporate strategy or a sustainable management (e.g., in the area of diversity, succession planning, innovation performance) in the business area of the respective Management Board member. It is possible to define the same individual targets for several Management Board members.

ESG targets are defined as targets relating to the environment (Environmental), social welfare (Social) and responsible corporate governance (Governance). The Supervisory Board defines the ESG performance criteria and the methods for measuring performance for the upcoming fiscal year. The possible performance criteria comprise of, for example, ESG ratings, customer satisfaction, employee satisfaction, occupational health & safety. The overall target achievement for ESG performance results from the average of the target achievement of the individual ESG performance criteria.

For an upcoming grant year, the Supervisory Board determines the targets for the STI, their weighting and the criteria for measuring target achievement. As described under (3).iii.a, the target achievement is determined by the Supervisory Board each year before the STI is paid out. The average target achievement is calculated from the respective target achievement for financial, individual and ESG targets and the weighting of the targets. The payout amount corresponds to the target amount multiplied by the average target achievement. If the overall target achievement is 100%, then the payout amount is equal to the target amount. No payout is made if the total target achievement is 0% ("Threshold value"). If the total target achievement is 200% or more, then a payout of 200% of the target amount is made ("Maximum value"). Between threshold and target achievement and between target and maximum achievement, linear interpolation is used. One-third of the overachievement is not paid out in cash, but converted to Performance Phantom Shares (PPS) and paid out at a later date, taking into account the future share price development.

ii. Long-Term Incentive

The relevant criteria for calculating payable amount for the LTI in fiscal year 2021 were the development of the Software AG stock price between granting and payout, the relative development compared to the MDAX, as well as revenue, profit margin and annual recurring revenue (ARR) until the end of the vesting period as well as the criteria for the STI (see i.). The consideration of share price development emphasizes the focus on the long-term and sustainable value creation of the Company and reinforces the alignment between shareholder and Management Board interests. Consideration of the profit margin supports the long-term profitability and viability of the Company and thus reinforces the sustainable implementation of the corporate strategy. The long-term incentive is granted in two parallel systems.

a. Performance Phantom Share Program (PPS)

The relevant performance criteria for the PPS program in fiscal year 2021 were the targets for the STI as well as the development of the Software AG share price. The individual target achievement of the STI determines the grant amount. At the time of the LTI grant, the individual grant amount for each Management Board member for the PPS program will be converted into virtual (phantom) shares of the Company (Performance Phantom Shares) on the basis of the initial reference price for Software AG stock and awarded to the Management Board members as a calculated value. The reference share price is determined as the average share price of Software AG stock in the February preceding the granting, less 10 percent. The objective of this criterion is the sustainable development of Software AG shares as well as strengthening the alignment between shareholder and Management Board interests and the commitment of the Management Board members to the Company. At the end of the four-year term, a cash settlement takes place on the basis of the average price of Software AG stock in the February as of the end of the term (see Figure 2). The amount payable under the PPS program is limited to a maximum of 200% of the target amount.

b. Long-Term Incentive Plan (LIP)

The relevant criteria for the LIP program in the fiscal year 2021 were the development of the Software AG stock price between granting and payout, the relative development compared to the MDAX, as well as revenue, profit margin and annual recurring revenue (ARR) until the end of the vesting period. The consideration of share price development, both in absolute terms and also in comparison with the overall development of comparable companies, emphasizes the focus on the long-term and sustainable value creation of the Company and reinforces the alignment between shareholder and board interests.

The profit margin is defined as the ratio of Software AG's profit to revenue. It supports the Company's long-term profitability and viability and thus reinforces the sustained implementation of the corporate strategy.

Annual recurring revenue ("AAR") shows the annualized contract value of active contracts with recurring revenue at the end of the reporting period. The ARR is thus an indicator of the expected recurring annualized cash flows if the active contracts of the following contract types continue: Term licenses/subscription licenses, maintenance from term and perpetual licenses, SaaS licenses, and usage-based licenses.

The development of Software AG's share price compared to the MDAX determines the payout of Part 1 of the LIP. Further details are explained under (3).iii.c.

For the upcoming grant year of a tranche, the Supervisory Board determines the targets and the weighting for revenue, profit margin and ARR. The average target achievement for Part 2 of the LIP is calculated on the basis of the relevant target achievement for revenue, profit margin and ARR target. The payout amount equals the number of virtual stock options for Part 2 of the LIP multiplied by the average target achievement for Part 2 of the LIP and the value per option for Part 2 of the LIP. Upon an overall target achievement of 100%, the payout for Part 2 of the LIP will equal the target amount for Part 2 of the LIP (i.e., 50% of the annual individual target amount for the LIP per

Management Board member) and the value per option for Part 2 of the LIP. Upon an overall target achievement of 0%, no payout will be made ("threshold achievement"). Upon overall target achievement of 200% or more, there will be a payout of 200% of the number of virtual stock options for Part 2 of the LIP and the value per option for Part 2 of the LIP ("maximum achievement"). Between threshold achievement and the target amount and between target amount and maximum achievement, a linear interpolation is used.

The development of the Software AG share price determines the option value for payment of Part 2 of the LIP. Further details are explained under (3).iii.c.

(5) Ability of the Company to recover variable remuneration components (section 87a para. 1 s. 2 no. 6 AktG)

The Company is entitled to adjust and recover the payable amounts under the variable remuneration at its due discretion if the audited consolidated financial statements and/or the basis for determining other targets, which serve as a basis for calculating the variable remuneration, must be corrected subsequently because they objectively proved to be erroneous and the errors led to a wrong calculation of the variable remuneration.

The recovery claim exists in the amount of the difference between the actual sums paid out by the Company and the amounts which, according to the rules on the variable remuneration, should have been paid out on the basis of the corrected calculation basis.

In the event that an Management Board member breached one of his material duties of care within the meaning of section 93 AktG or a material principle under the Company's Code of Conduct, the Supervisory Board may reduce (down to zero) or recover all or some of the variable compensation components.

If the correction of the calculation basis for the variable remuneration or the violation of material duties of care or material Code of Conduct principles has an effect on several variable remuneration components already paid out, then the paid-out amounts for all of the variable remuneration components can be recovered. The recovery claim remains enforceable for four years from the date on which the respective relevant variable remuneration component was paid out.

(6) Share-based remuneration (section 87a para. 1 s. 2 no. 7 AktG)

The LTI, i.e. the PPS program and the LIP, is share-based granted. Explanations of time periods and conditions of the share-based remuneration can be found under (3).iii.b, (3).iii.c and (4).ii. In addition, the Management Board members are required to hold shares of the Company during their term of office. Details of the associated Share Ownership Guidelines can be found in section (3).iv. The aim of the Share Ownership Guidelines and the consistently share-based granted LTI is to align the actions of the Management Board members with the long-term and sustainable value creation and growth of the Company and to further strengthen the alignment between shareholder and Management Board interests. To this end, the Share Ownership Guidelines and the LTI contribute directly to promoting the objectives of the business strategy mentioned under (2) and the long-term development of Software AG.

(7) Remuneration-related legal acts [*Rechtsgeschäfte*] (section 87a para. 1 s. 2 no. 8 AktG)

i. Terms and prerequisites for the termination of remuneration-related legal acts

Mr. Brahmawar's Management Board service contract (contract) expires on July 31, 2023. Dr. Frank's contract expires on July 31, 2024. Dr. Heiden's contract expires on June 30, 2023. Dr. Sigg's contract expires on March 31, 2027. The contracts generally have a three-year term for the first appointment, and a five-year term in case of a reappointment. In the event of reappointment, the Management Board service contracts will continue to apply unless the parties agree otherwise. If the appointment to the Management Board is revoked for good cause (*aus wichtigem Grund*) in accordance with section 84 (3) AktG, which is also good cause for termination of the Management Board member's contract without notice in accordance with section 626 BGB, then Management Board service contract will end automatically.

ii. Compensation for dismissal / removal

If the Management Board member's service contract is terminated other than for good cause, then any severance paid to the respective Management Board member will be limited to a maximum of one year's target total remuneration (excluding LIP, pension payments and fringe benefits) and may not exceed the contractually agreed remuneration for the remaining term (Severance Cap).

If a post-contractual, non-compete covenant is agreed, then any severance payment will be credited toward the post-employment non-compete compensatory payment (Karenzentschädigung). Currently, there is only one management board member service contract that contains a post-contractual non-compete covenant, which applies for 12 months following the expiration of that management board member's employment contract. During the period of this post-contractual non-compete covenant, the Management Board member entitled to this payment will receive a monthly non-compete compensatory payment that equals the monthly target total remuneration (excluding fringe benefits). Thus, the sum total of Software AG's aforementioned severance payment consisting of a target total remuneration (excluding LIP, pension payments and fringe benefits) and the non-compete compensatory payment does not exceed the severance payment that is recommended in the German Corporate Governance Code and equals two years of remuneration.

If the Management Board service contract ends in the event of a change of control, then no additional severance payment will be made.

If the Management Board service contract is terminated by the Management Board member herself or himself or for good cause for which she or he is responsible, then no severance payment will be owed.

The key features of the pension and early retirement provisions are explained under (3).ii.b.

(8) Consideration to be given to the employees' terms and conditions of remuneration and employment when determining the remuneration system (section 87a para. 1 s. 2 no. 9 AktG)

When structuring the remuneration and fringe benefit system for Management Board members, the Supervisory Board took into account the remuneration and employment conditions at Software AG for its senior managers and the workforce as a whole, in particular how remuneration has developed over time and particularly in recent years. In this regard and following the recommendations of the German Corporate Governance Code, the Supervisory Board defined the groups of senior managers and the workforce as a whole consistently for the multi-year evaluation (comparative) period and reviewed in-depth that the remuneration of the Management Board members does not increase more aggressively than the remuneration of the senior managers and the workforce as a whole.

(9) Procedure to determine and implement, as well as to review the remuneration system (section 87a para. 1 s. 2 no. 10 AktG)

The Supervisory Board adopts a clear and comprehensible remuneration system for the Management Board members. The Personnel Committee is responsible for preparing the resolution and for providing the Supervisory Board at regular intervals with all the information required by the Supervisory Board in order to review the remuneration system. The Supervisory Board reviews the remuneration system in its due discretion, but in any event every four years. The Supervisory Board reviews the level of fixed annual salary every two years in order to ensure it is commensurate. To do so, the Supervisory Board conducts a market comparison and also takes particular account of changes in the business environment, the overall economic situation and strategy of the Company, changes and trends in national and international corporate governance standards, and developments in the employees' terms and conditions of remuneration and employment. If necessary, the Supervisory Board consults external remuneration experts and other advisors. The Supervisory Board thereby pays attention to the independence of the remuneration experts and the advisors to the Management Board and takes the necessary precautions to avoid conflicts of interest. If Management Board members are also members of intra-group supervisory boards, then such remuneration will be taken into account. If supervisory board memberships are assumed at non-group entities, the Supervisory Board decides whether and to what extent the remuneration from such memberships will be taken into account.

The Supervisory Board submits the remuneration system to the Shareholders' Meeting for approval each time there is a substantial change, but at least every four years. Should the Shareholders' Meeting not approve the submitted system, then the Supervisory Board will submit a revised remuneration system to the Shareholders' Meeting for approval at latest at the next annual Shareholders' Meeting.

The remuneration system applies to all potential contract extensions and to all new Management Board service contracts beginning as of January 1, 2022. Any Management Board service contracts existing at the time of enactment will be unaffected thereby. With respect to current contracts contractual modifications would be required which are subject to the individual consent of each Management Board member.

The Supervisory Board and the Personnel Committee take adequate measures to ensure that possible conflicts of interests affecting the Supervisory Board members involved in advising and decision-making on the remuneration system are avoided and, as the case may be, resolved. Each Supervisory Board member is under a duty to notify the Supervisory Board chairman of conflicts of interest. The Supervisory Board chairman discloses to the Personnel Committee and the plenary Supervisory Board any conflicts of interest affecting him. The Supervisory Board decides how to deal with an existing conflict of interest on a case-by-case basis. One option in particular would be for a Supervisory Board member affected by a conflict of interest not to participate in a meeting or in individual consultations and decisions of the Supervisory Board or the Personnel Committee.

The Supervisory Board may temporarily deviate from the remuneration system (procedure and regulations on remuneration structure) and its individual components, as well as with regard to the individual remuneration components of the remuneration system, or introduce new remuneration components if this is necessary for the long-term wellbeing of the Company. The Supervisory Board reserves the right to undertake such deviations for exceptional circumstances, for example to address an economic or corporate crisis. Such deviations may temporarily cause a variance from Maximum Remuneration for the Chief Executive Officers or for other Management Board members.

8. Elections to the Supervisory Board

In accordance with sections 96 (1), 101 (1) AktG in connection with sections 1 (1) No. 1, 4 (1) One-Third Participation Act (*Drittelbeteiligungsgesetz*) and Article 9 of the Articles of Association of Software AG, the Supervisory Board consists of six members, of which four are elected by the shareholders and two by the employees.

In the Supervisory Board meeting dated December 13, 2021, the chair of the Supervisory Board, Mr Karl-Heinz Streibich, and the chair of the Audit Committee, Mr Ralf Dieter, resigned from their offices as members of the Supervisory Board with effect from the end of January 31, 2022. Mr Markus Ziener resigned from his office with effect from the end of the Annual Shareholders' Meeting on May 17, 2022.
The District Court of Darmstadt appointed Mr Christian Lucas as a member of the Supervisory Board, by resolution dated January 27, 2022, which took effect on February 3, 2022. The Supervisory Board has appointed Mr Christian Lucas as the chair of the Supervisory Board. The court appointment of Mr Christian Lucas ends with the Supervisory Board elections pending in this Shareholders' Meeting. Mr Christian Lucas is standing for election to the Supervisory Board. It is also intended that, if he is elected, he will stand again as a candidate for the chairperson of the Supervisory Board.

The District Court of Darmstadt appointed Mr Oliver Collmann as a member of the Supervisory Board end of March 2022. The court appointment of Mr Oliver Collmann ends with the Supervisory Board elections pending in this Shareholders' Meeting. Mr Oliver Collmann is standing for election to the Supervisory Board. It is intended that, if he is elected, he will stand as a candidate for the chairperson of the Audit Committee.

In addition, the appointment of Mr James M. Whitehurst for election to the Supervisory Board is proposed to the Annual Shareholders' Meeting. Mr James M. Whitehurst is first available for this mandate with effect from January 1, 2023.

Based on the recommendation of the Nomination Committee, the Supervisory Board recommends the following individuals to be elected as members of the Supervisory Board:

8.1 Mr Christian Yannick Lucas, Estoril/Portugal
Managing Director and Co-Head EMEA at Silver Lake

Mr Christian Lucas' period of office begins with effect from the end of the Annual Shareholders' Meeting which takes place on May 17, 2022 and shall end with effect from the end of the Shareholders' Meeting which passes a resolution on ratifying the actions of the Supervisory Board for the third fiscal year after the start of the period of office (the fiscal year in which the period of office begins does not count towards this).

8.2 Mr Oliver Collmann, Saarwellingen/Germany
Partner and Executive Board member at AVEGA Fund Services S.à r.l.

Mr Oliver Collmann's period of office begins with effect from the end of the Shareholders' Meeting which takes place on May 17, 2022 and shall end with effect from the end of the Shareholders' Meeting which passes a resolution on ratifying the actions of the Supervisory Board for the third fiscal year after the start of the period of office (the fiscal year in which the period of office begins does not count towards this).

8.3 Mr James M. Whitehurst, Longboat Key/Florida
Senior Advisor at IBM and Special Advisor at Silver Lake

Mr James M. Whitehurst's period of office begins with effect from January 1, 2023 and shall end with effect from the end of the Shareholders' Meeting which passes a resolution on ratifying the actions of the Supervisory Board for the second fiscal year after the start of the period of office (the fiscal year in which the period of office begins does not count towards this).

At the end of this invitation, CVs are enclosed providing information about the relevant knowledge, skills and experiences of the proposed candidates.

The election proposals of the Supervisory Board are based on the recommendations of its Nomination Committee. They are in harmony with the skills profile of the Supervisory Board, its diversity concept and goals which it has set for its composition, as well as the requirements of the German Corporate Governance Code. The Annual Shareholders' Meeting is not bound by the suggested elections. The elections will be carried out as individual election of each member.

SUPPLEMENTARY INFORMATION ON AGENDA ITEM 8 (CVs OF THE CANDIDATES FOR THE SUPERVISORY BOARD)

CVs in alphabetical order

Oliver Collmann
Partner and Executive Board member at AVEGA Fund Services S.à r.l.
Year of birth: 1979
Place of residence: Saarwellingen, Germany
Nationality: German
Independent: Yes

Current mandates (supervisory board mandates which must be formed by law and comparable domestic and foreign control committees of financial companies):

None

Professional experience

since 2021	Partner and Executive Board member at AVEGA Fund Services S.à r.l., Luxembourg
2008 – 2020	Associate Partner at KPMG Luxembourg (Audit)
2007 – 2008	Audit Assistant at BDO Audit S.A., Luxembourg

Education

Graduate in Business Administration (*Diplom-Betriebswirt*), University of Technology and Economy Saarbrücken

Certified Chartered Accountant, UK

Réviseur d'Entreprises, Luxembourg

Relevant key competences

Due to his education and many years of professional activity in auditing companies, Oliver Collmann has in-depth knowledge in the field of accounting and auditing.

Personal and business relationships to the Company, the bodies and a shareholder with significant holdings (No. C.13 German Corporate Governance Code in the version dated December 16, 2019)

None

Christian Yannick Lucas
Managing Director and Co-Head EMEA at Silver Lake
Year of birth: 1969
Place of residence: Estoril, Portugal
Nationality: French
Independent: Yes

Current mandates* (supervisory board mandates which must be formed by law and comparable domestic and foreign control committees of financial companies as far as not marked otherwise with ***)

- Non-executive member of the Board of Directors of Global Blue Group Holding AG, Switzerland**
- Non-executive member (Vice Chairman) Board of Directors of Claudius France SAS, France (belonging to Cegid Group)
- Non-executive chairman of the Board of Directors of Midco SAS, France (belonging to MeilleurTaux Group)
- Non-executive member of the Board of Directors of Mirakl SAS, France
- Member of the Board of Directors of Precise Holdco BV, Netherlands (belonging to Exact Group)***
- Chairman of the Board of Directors of Cordobes S.à.r.l, Luxembourg (Grupo BC group)***
- Chairman of the Board of Directors of Seine Midco SAS, France (belonging to Silae Group)***

** all portfolio companies of Silver Lake*
*** publicly listed*
**** no supervisory board mandates within the meaning of section 125 (1) sentence 5 AktG*

Professional experience

since 2010	Managing Director and Co-Head EMEA at Silver Lake
2004 – 2010	Managing Director and Head of the Technology Group at Morgan Stanley

Education

Bachelor of Arts at Paris International Law School, Université Sorbonne – Assas Paris II

Master of Science from the ESSEC Graduate School of Management

MBA from Harvard Business School

Relevant key competences

Christian Lucas is a Managing Director at Silver Lake and co-head of the firm's activities in Europe, which is a global technology investment firm with over USD 90 billion in assets under management and committed capital. Christian Lucas has led numerous investments in software companies and draws on extensive experience in the technology industry. He has international management experience and has also assumed responsibility on supervisory boards and comparable bodies, deepening the knowledge of accounting and auditing acquired during his studies and professional activities.

Personal and business relationships to the Company, the bodies and a shareholder with significant holdings (No. C.13 German Corporate Governance Code in the version dated December 16, 2019)

Mr Christian Lucas is the Managing Director of Silver Lake, a fund which has subscribed and acquired convertible bonds to Software AG, which entitles it to conversion into up to 7.4 million shares (corresponding to up to 10 % of the currently outstanding shares, or 9.09 % taking into account the dilutive effect). In addition, Silver Lake has concluded a consultancy agreement with Software AG, according to which Silver Lake provides consultancy services for Software AG without remuneration being payable for this at the request of and when called for by Software AG. Both contractual relationships do not affect the independence of Christian Lucas in the view of the Supervisory Board.

James Moon Whitehurst
Senior Advisor at IBM and Special Advisor at Silver Lake
Year of birth: 1967
Place of residence: Longboat Key, Florida
Nationality: USA
Independent: Yes

Current mandates (supervisory board mandates which must be formed by law and comparable domestic and foreign control committees of financial companies)

- Non-Executive Director of the Board of Directors at United Airlines, Inc.**
- Non-Executive Director of the Board of Directors at Amplitude, Inc.**
- Non-Executive Director of the Board of Directors at Tanium Inc.
- Member of the International Advisory Board of Banco Santander S.A.**

*** publicly listed*

Professional experience

since 2021	Senior Advisor at IBM and Special Advisor at Silver Lake
2008 – 2020	President and CEO of Red Hat, Inc. after the acquisition by IBM Corp.; from 2020 president of IMB Corp. and chairman of the Board of Directors of Red Hat, Inc.
2002 – 2007	Management positions at Delta Air Lines, Inc., initially as Senior Vice President – Finance, Treasury and Business Development, from 2004 as Chief Network and Planning Officer and from 2005 as Chief Operating Officer
1989 – 2001	Business Consultant at The Boston Consulting Group (BCG), Partner since 2000

Education

Business Studies and Computer Science at Rice University, Houston/Texas

Master of Business Administration from Harvard University, Cambridge/Massachusetts

Relevant key competences

James M. Whitehurst is a high-profile thought leader in the software industry as former president of IBM and previously longtime CEO of Red Hat. He played an essential role in the implementation of IBM's cloud strategy. He has many years of international management experience in enterprise IT as well as an understanding of digitalization and enterprise software solutions. The experience James M. Whitehurst brings from his leadership positions also includes extensive financial expertise. During his time at Delta Air Lines, he oversaw the company's recovery and led it out of bankruptcy. He thus has expertise in the field of accounting and auditing.

Personal and business relationships to the Company, the bodies and a shareholder with significant holdings (No. C.13 German Corporate Governance Code in the version dated December 16, 2019)

Mr James M. Whitehurst is Special Advisor at Silver Lake, a fund which has subscribed and acquired convertible bonds to Software AG, which entitles it to conversion into up to 7.4 million shares (corresponding to up to 10 % of the currently outstanding shares, or 9.09 % taking into account the dilutive effect). In addition, Silver Lake has concluded a consultancy agreement with Software AG, according to which Silver Lake provides consultancy services for Software AG without remuneration being payable for this at the request of and when called for by Software AG. Both contractual relationships do not affect the independence of James M. Whitehurst in the view of the Supervisory Board.

Reports

Remuneration report on Item 6 of the Agenda

1 CONTENTS OF THE REMUNERATION REPORT

The Remuneration Report was prepared in accordance with the provisions of section 162 of German Stock Corporation Act (AktG), which were mandatory for first-time application in the 2021 fiscal year. The Remuneration Report for the 2021 fiscal year is primarily oriented to the recommendations of the German Corporate Governance Code (GCGC) and the legal regulations of the AktG. Furthermore, questions and answers regarding the preparation of a remuneration report provided by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany, IDW) dated December 21, 2021 were taken into consideration. The Remuneration Report is a separate report which provides details on the remuneration system for the Management and Supervisory Boards as well as reports the amounts and structure of their compensation.

2 MANAGEMENT BOARD MEMBER REMUNERATION

2.1 CHANGES IN THE REMUNERATION SYSTEM AS OF FISCAL 2021

In fiscal 2020, Software AG's Supervisory Board focused intensively on the remuneration system for its Management Board members and carried out changes that took effect as of January 1, 2021. These changes ensure compliance with the GCGC and with the AktG as amended by the Act Implementing the Second Shareholders' Rights Directive (ARUG II) of December 12, 2019.

The current remuneration system for Management Board members came into effect as of fiscal 2021 and was approved by the Annual Shareholders' Meeting of May 12, 2021 pursuant to section 120a (1) of AktG with a majority of 94.83 percent. The Remuneration Report will be presented to the 2022 Annual Shareholders' Meeting for the first time, for a non-binding vote of the shareholders.

The remuneration system applies to any future contract extensions and any new employment contracts signed with Management Board members as of January 1, 2021. In connection with the extension of his mandate to March 31, 2027, application of the current remuneration system was agreed with Dr. Stefan Sigg, effective retroactively as of January 1, 2021. The remaining Management Board members are still serving under their current employment contracts and thus are not yet subject to all amended policies of the new Management Board remuneration system. Aspects of remuneration which still fall under the old remuneration system are described separately in the Remuneration Report where relevant.

The following changes under the new remuneration system for Management Board members compared with the old system are particularly noteworthy:

Changes in the New Remuneration System Compared with the Old Remuneration System

Requirements	Remuneration system until Dec. 31, 2020	Remuneration system from Jan. 1, 2021
Section 87 (1), s. 2 of AktG [...] At listed companies, the remuneration structure must be geared toward the company's sustainable and long-term development. [...]	The old remuneration system only partially addressed environment, social and governance (ESG) targets.	The new remuneration system includes ESG targets in the Short-Term Incentive (STI) Plan.
Section 87a (1) s. 2 no. 1 of AktG This remuneration system contains, at a minimum, the following information—with regard to remuneration components, however, only those components that are actually in effect: Establishment of a maximum remuneration for Management Board members	The old remuneration system established maximum percentages for variable remuneration components, based on which the maximum remuneration amounts could then be calculated. No explicit maximum amount for overall remuneration was defined.	Under the new remuneration system, the individual maximum remuneration amount is €5,900,000 for the CEO and €2,900,000 for the other Management Board members.
G.10 GCGC [...]. Management Board members can access long-term variable amounts only after four years have elapsed.	Under the old remuneration system, the term for long-term variable remuneration components was shorter.	Under the new remuneration system, the term for long-term variable remuneration components was increased to four years.
G.11 GCGC [...]. It should be possible to withhold or reclaim variable remuneration for due cause.	The old remuneration system did not contain any clawback or penalty policies.	The adoption of penalty and clawback provisions is planned under the new remuneration system.
G.14 GCGC No payment obligations should be agreed with regard to premature termination of the employment contract by the Management Board member due to a change of control.	The old remuneration system provided for such obligations in the event of a change of control.	The new remuneration system does not grant any awards in connection with a change of control.
Market/investor/proxy advisor requirements: Management Board members should make a significant investment in company stock.	The old remuneration system did not include any share ownership guidelines.	The new remuneration system obligates the Management Board members to hold 100 percent of one net annual fixed salary in Software AG shares (after a four-year accrual period).
Pension benefits	The old remuneration system provided for pension commitments with reinsurance cover.	Under the new remuneration system, pension benefits take the form of an annual cash payment in the amount of €250,000 for the CEO and €150,000 for the other Management Board members.

2.2 REMUNERATION SYSTEM FOR MANAGEMENT BOARD MEMBERS IN 2021

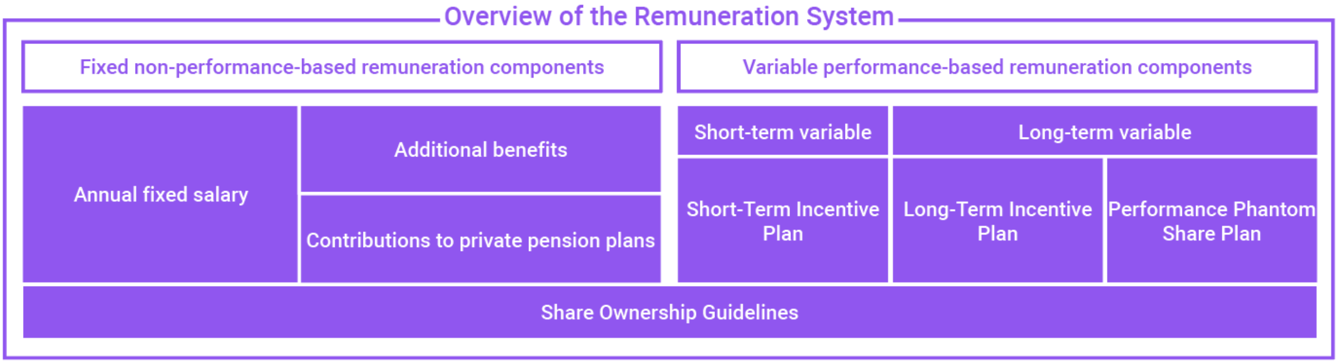
The remuneration system for Management Board members was assessed and adopted by the Supervisory Board in compliance with the legal requirements of sections 87 and 87a of AktG and the recommendations of GCGC. In this connection, the Supervisory Board consulted an independent external consultant. The Personnel Committee is responsible for preparing the resolution of the Supervisory Board and for regularly supplying the Supervisory Board with all information which the Supervisory Board requires in order to carry out an assessment of the remuneration system. The Supervisory Board carries out an assessment of the remuneration system at its reasonable discretion, but every four years at the latest.

The remuneration system for the members of the Software AG Management Board is designed in a clear and comprehensible manner and is geared towards promoting sustainable and long-term value creation, implementation of the business strategy, and growth of the business lines.

2.2.1 COMPONENTS OF MANAGEMENT BOARD REMUNERATION

The remuneration system for the Management Board members consists of fixed and variable remuneration components. Fixed non-performance-based compensation consists of the fixed annual salary, contributions to private pension plans, and additional benefits. Variable performance-based compensation consists of the variable short-term incentive (STI) and the variable long-term incentive (LTI), with the latter subdivided into the Performance Phantom Share (PPS) Plan and the Long-Term Incentive Plan (LIP) (see Figure 1).

Figure 1 **Components of Management Board Remuneration**



2.2.1.1 Fixed non-performance-based remuneration components

Fixed non-performance-based remuneration consists of a fixed annual base salary, contributions to private pension plans and additional benefits.

Fixed annual salary
The Management Board members receive a fixed annual salary. The fixed annual salary is paid in 12 equal monthly installments. The amount of the fixed annual salary is geared towards the duties and the strategic and operational responsibilities of the individual Management Board member.

Pension benefits under the new system
Management Board members residing in Germany receive an annual cash payment to support their private pension planning. This pension policy under the new remuneration system applies to Dr. Sigg. He receives an annual payment in the amount of €150,000.00. In addition, in 2021 Dr. Sigg received a one-time payment in the amount of €1,913,097.00 as compensation for the old pension commitment.

Pension benefits under the old system
Mr. Brahmawar, Dr. Frank and Dr. Heiden will be subject to the new pension benefits provisions only in the event that their employment contracts are extended and the new remuneration system then applies to them accordingly. Under the old pension benefit system, members of the Management Board who reside in Germany receive pensions for life after completing their 62nd year of age, regardless of their age when they join the Company. The monthly pension for two members of the Management Board is €13,200.20, for one member €13,627.32, and for the CEO €20,109.18.

These pensions are increased annually by the percentage by which the consumer price index for Germany published by the German Federal Statistical Office has increased in comparison to the previous year. The pension commitment also includes a survivor annuity of 60 percent of the Management Board member's pension. In the event that a Management Board member leaves the Company prior to the age of 62 (60 in the case of one member) and before reaching the 15th year as a member of the Company's Management Board, the benefit entitlement is retained, but is reduced. In the event that a Management Board member leaves the Company prior to the age of

62, but after reaching the 15th year as a member of the Company's Management Board, the benefit entitlement is retained in full.

The change in the present value of pension commitments (IFRS) in 2021 and the present value of defined benefit obligations (DBO) as of December 31, 2021 is as follows:

Prior-Year Supervisory Board Remuneration

in €	Change in present value (DBO) from pension commitments in 2021	Present value of pension commitments Dec. 31, 2021
Sanjay Brahmawar Chief Executive Officer	400,238.00	2,015,983.00
Dr. Elke Frank Chief Human Resources Officer	312,145.00	936,404.00
Dr. Matthias Heiden Chief Financial Officer	389,724.00	624,150.00
Dr. Stefan Sigg Chief Product Officer	−2,212,211.00	0.00

Additional benefits
Additional benefits consist of the provision of a suitable company car for work and personal use or, alternatively, a monthly car allowance. In addition, the Company maintains accident insurance policies for the Management Board members with an insured amount equaling €1,500 thousand in the event of death and €3,000 thousand in the event of disability. Furthermore, Software AG carries director and officer (D&O) insurance which covers members of the Management Board; the deductible is 10 percent of the damages but no more than 1.5-times the fixed annual salary of the Management Board member.

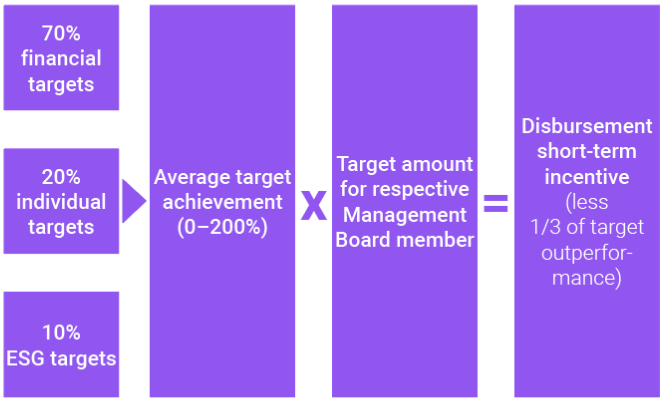
2.2.1.2 Variable performance-based remuneration components

The variable remuneration of the Management Board members is made up of a short-term component (STI) and two long-term components (LTI). The long-term components are the PPS plan and the LIP. The variable remuneration is linked to the duties and the strategic and operational responsibilities of the Management Board members and to the short-term and long-term results of the Company. The amounts disbursed depend on the Company's results.

The Supervisory Board ensures that the targets set are rigorous and ambitious and contribute to sustainable value creation. In the event that the targets are not achieved, the variable remuneration can decline to as low as zero. In the event that the targets are exceeded, variable remuneration is limited to 200 percent of the individual target amount.

Short-term variable remuneration components (Short-Term Incentive Plan)
The Short-Term Incentive (STI) Plan is geared towards the achievement of financial, individual and ESG targets for the given fiscal year. For each year in which the STI is to be granted, the Supervisory Board establishes the STI targets, their weighting, and the criteria for measuring target achievement (see Figure 2).

Figure 2 **Calculation of the Short-Term Incentive**



The financial targets are the revenue and earnings targets communicated to the capital market for the fiscal year. The individual targets are the quantitative or qualitative objectives established with each of the Management Board members regarding the areas for which they are responsible and aimed at supporting the medium to long-term strategic growth of the Company.

The individual targets may support the achievement of revenue and growth targets defined in the business strategy, for example, or the implementation of a sustainable approach to operations (e.g. in the area of diversity, succession planning or innovation performance) in the business line for which the Management Board member is responsible.

ESG targets are non-financial performance indicators and can consist of ESG ratings, customer satisfaction, employee satisfaction, or occupational safety (health and safety). Overall achievement of the ESG target is calculated as average target achievement across the individual ESG performance criteria.

Target achievement is calculated by the Supervisory Board. Average target achievement is calculated based on achievement of the financial, individual and ESG targets and on their weighting. The disbursement amount is the individual target amount multiplied by average target achievement.

If performance equals 100 percent, the disbursement amount is equal to the target amount. If performance equals 0 percent, no disbursement is made ("threshold amount"). If performance is 200 percent or more, the disbursement amount is 200 percent of the target amount ("maximum amount"). Linear interpolation is carried out between the threshold amount and the target amount and between the target amount and the maximum amount. If the targets are exceeded by more than 100 percent, one-third of the outperformance is transferred to the PPS plan and disbursed at a later point in time, taking the future share price into account.

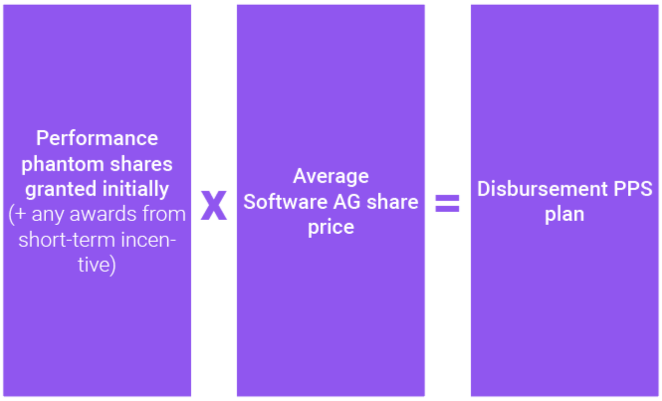
Long-term variable remuneration components

The long-term variable remuneration of the Management Board members consists of the PPS and the LIP plans. There were no disbursements under the current MIP and LIP long-term incentive plans in 2021 since the PPS periods have not yet concluded. There were disbursements under the PPS plan in 2021 (please see tables "Granted and Owed Remuneration for Active/Former Management Board Members").

PPS plan

The amount granted under the PPS plan equals the contractual target amount multiplied by the individual Management Board member's performance in achieving the STI targets. At the point when the amount is granted, the contractual individual amount, plus the amount transferred to each Management Board member under the STI, is converted into virtual shares of the Company (PPS) on the basis of Software AG's reference share price and allocated to the respective Management Board members as a computational amount. The reference share price is the average share price of Software AG's share in the February prior to the award of the amount, less 10 percent. Each tranche has a term of four years in the future (see Figure 3).

Figure 3 **Calculation of the PPS Plan**



Upon expiration of the four-year term, a cash amount is disbursed based on the average price of Software AG's share in Xetra trading in the February after the end of the term. The disbursement amount under the PPS plan is limited to 200 percent of the contractual individual target amount. The new PPS plan described above applies to the Management Board member Dr. Sigg. For the CEO Mr. Brahmawar, and the Management Board members Dr. Frank and Dr. Heiden, the old PPS plan applies.

PPS Granted in Fiscal Year and Prior Year, Total Balance

	Awarded in 2021 No.	Value awarded in 2021 in €	Awarded in 2020 No.	Value awarded in 2020 €	Total balance as of Dec. 31, 2021 No.	Value of provisions for total balance as of Dec. 31, 2021 in €
Sanjay Brahmawar	24,563	816,851.86	22,004	804,106.48	79,666	2,749,865.09
Dr. Elke Frank	5,541	184,274.08	4,945	180,705.37	11,894	407,137.32
Dr. Matthias Heiden	11,967	397,974.08	5,365	196,055.61	17,332	586,178.28
Dr. Stefan Sigg	16,094	535,214.81	14,450	528,077.41	43,230	1,487,145.69
Total	58,165	1,934,314.82	46,764	1,708,944.87	152,122	5,230,326.38

The details of the old PPS plan are as follows:

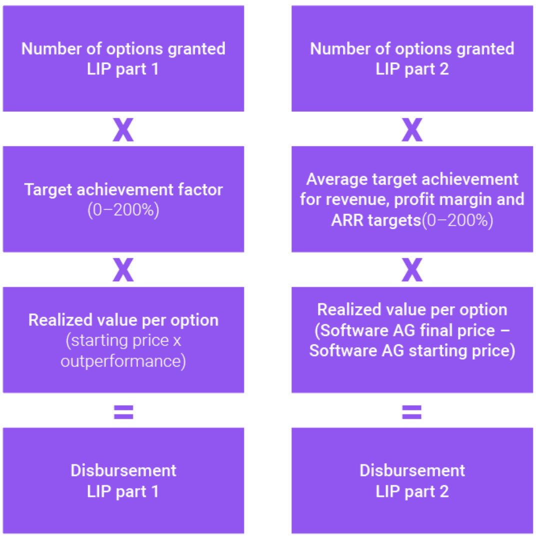
In contrast to the new PPS plan, the term under the old plan is three years. The number of shares becomes due in three identical tranches with terms of one, two and three years. On the respective due dates, in March of each year, the number of PPS will be multiplied by the applicable share price for February. A limit applies, defined as a maximum of twice the reference price at the time at which the respective PPS tranches were issued. This payment cap is determined annually for the balance of PPS allocated to the members of the Management Board based on the average award price. Plan beneficiaries will receive an amount per phantom share equal to the dividend paid to Software AG shareholders per share. Beneficiaries may elect to let the Company dispose of any PPS that have become due after the defined vesting period and thus continue to participate in the success of the Company. However, all PPS that have not yet been disbursed as of January 15 of the seventh year after a Management Board member has left the Company become due for payment in the seventh year after the member's departure at the latest, on the trading day following the release of the preliminary first-quarter figures. The disbursement amount is determined on the date of disbursement using the disbursement price per share, multiplied by the number of PPS due to be converted. For tranches that are not renewed, the disbursement share price is equal to the average closing price of Software AG's share in Xetra trading on the Frankfurt stock exchange on trading days during the month of February before PPS disbursement. For tranches that are disbursed within the extension period, the disbursement share price is equal to the average closing price for Software AG's share in Xetra trading on the sixth to tenth trading days after the decision to exercise the phantom shares. The decision to exercise options can be made during the period from the date of publication of the financial results until the following fifth trading day. This plan led to expenses relating to the members of the Management Board in the amount of €1,486 thousand (2020: €1,827 thousand) in fiscal year 2021.

The number of PPS is shown in the table above.

LIP

As of fiscal 2021, the LIP replaced the Management Incentive Plan (MIP), the long-term plan that had previously been granted (see Figure 4).

Figure 4 **LIP**



Remuneration under the LIP is granted to the Software AG Management Board members annually in the form of virtual stock options. The LIP consists of two equally weighted parts. At the point at which the LIP is granted, 50 percent of the annual target amount for the LIP for each Management Board member is converted into virtual stock options for part 1 and part 2 of the LIP and allocated to the respective Management Board members as a computational amount. On the basis of a fair-value calculation, virtual stock options for part 1 and part 2 are issued, with expected values that correspond to 50 percent, respectively, of the individual target amounts for the respective

Management Board members. The target amount has been contractually agreed for Dr. Stefan Sigg; for the other members of the Management Board, the target amounts are decided by the Supervisory Board on an annual basis. Each tranche has a term of four years in the future. The number of granted virtual options at the end of the four-year term is determined by the target achievement factors.

Part 1

For part 1 of the LIP, the target achievement factor is based on the outperformance of the Software AG share in comparison to the MDAX (see Figure 5). The outperformance is calculated as the difference between the appreciation of the Software AG share and the appreciation of the MDAX price index over the four-year term of the LIP tranche, respectively. The target achievement factor is a minimum of 0 in the case of outperformance of less than 0 percent. The target achievement factor reaches the maximum value of 2 in the case of outperformance of at least 20 percent. Between the minimum and maximum values, the target achievement factor increases on a linear basis. The value per option for part 1 is calculated as the product of outperformance and the starting price of the Software AG share (see Figure 4). The starting price is calculated as the average price of the Software AG share over the course of the 20 trading days before (and including) May 14, 2021 and amounts to €35.44. The disbursement for part 1 of the LIP is calculated as the product of the number of options granted with the target achievement factor and the value per option. The disbursement for part 1 of the LIP is limited to 200 percent of the target amount.

Figure 5 **Target Achievement Factor Part 1 LIP**

	Target achievement factor
outperformance ≥ 20%	200%
20% > outperformance ≥ 18%	190%
18% > outperformance ≥ 16%	180%
16% > outperformance ≥ 14%	170%
14% > outperformance ≥ 12%	160%
12% > outperformance ≥ 10%	150%
10% > outperformance ≥ 8%	140%
8% > outperformance ≥ 6%	130%
6% > outperformance ≥ 4%	120%
4% > outperformance ≥ 2%	110%
2% > outperformance ≥ 0%	100%
0% > outperformance	0

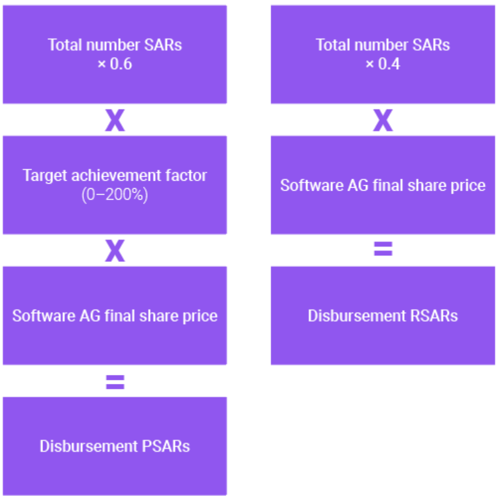
Part 2

Under part 2 of the LIP, the target achievement factor is calculated as the average fulfillment of the targets for earnings, profit margin and annual recurring revenue (ARR). For each target, the Supervisory Board sets minimum target achievement ("threshold amount"), a target amount, and maximum target achievement ("maximum amount") for the fourth fiscal year after the target is issued. Below the threshold amount, target achievement equals 0 percent. At the target amount, target achievement equals 100 percent. Above the maximum amount, target achievement equals 200 percent. Linear interpolation is carried out between the threshold amount and the target amount and between the target amount and the maximum amount. Depending on the target and in general, target achievement is thus limited to a range between 0 and 200 percent. In determining average target achievement, the three targets for the fiscal year are weighted equally, at one-third each. The value per option for part 2 is defined as the appreciation of the Software AG share from the beginning to the end of the term of the LIP tranche (see Figure 4). The disbursement amount for part 2 of the LIP is calculated as the product of the number of options allocated, average target achievement and value per option. The disbursement for part 2 of the LIP is limited to 200 percent of the target amount.

The profit margin is calculated as the ratio of Software AG's earnings to revenue. The profit margin supports the Company's long-term profitability and thus strengthens the lasting implementation of the Company's strategy. ARR shows the respective value of all active contracts at the end of the reporting period with their recurring revenue. ARR is thus an indicator of the recurring annualized cash flows that can be expected for active contracts that are continued and is of key value for Software AG.

Each LIP tranche has a term of four years in the future. The disbursement amount under the LIP plan is limited to 200 percent of the target amount.

Figure 6 **Calculation of MIP 2019**



Management Incentive Plan 2019 (MIP 2019)

MIP 2019 was launched in March 2019. The rights under MIP 2019 were allocated to members of the Management Board in June 2019.

MIP 2019 consists of two differently weighted parts. At the point at which MIP 2019 was granted, the target amount for the MIP, as determined by the Supervisory Board individually for each member, was converted into stock appreciation rights (SARs) on the basis of a weighted initial value. These rights were then subdivided into performance SARs (PSARs), at 60 percent, and retention SARs (RSARs), at 40 percent, and allocated to the Management Board members as computational amounts. Each tranche has a term of four years in the future, i.e. to 2023.

Management Board members as computational amounts. Each tranche has a term of four years in the future, i.e. to 2023.

PSARs

The number of granted PSARs at the end of the four-year term is determined by the target achievement factor. For the PSARs, the target achievement factor is based on the outperformance of the Software AG share in comparison to the Nasdaq 100 stock index (see Figure 7). The outperformance is calculated as the difference between the appreciation of the Software AG share and the appreciation of the Nasdaq price index over the four-year term of the MIP tranche. The target achievement factor is a minimum of 0 in the case of outperformance of less than 0 percent. The target achievement factor reaches the maximum value of 2 in the case of outperformance of at least 20 percent. Between the minimum and maximum values, the target achievement factor increases on a linear basis.

The value per PSAR is calculated as the product of the target achievement factor and the average share price of the Software AG share during the 20 trading days before (and including) March 24, 2023.

The disbursement amount for PSARs is limited to 300 percent of the target amount multiplied by 0.6 percent.

Figure 7 **PSAR Target Achievement Factor**

	Target achievement factor
outperformance ≥ 20%	200%
20% > outperformance ≥ 18%	190%
18% > outperformance ≥ 16%	180%
16% > outperformance ≥ 14%	170%
14% > outperformance ≥ 12%	160%
12% > outperformance ≥ 10%	150%
10% > outperformance ≥ 8%	140%
8% > outperformance ≥ 6%	130%
6% > outperformance ≥ 4%	120%
4% > outperformance ≥ 2%	110%
2% > outperformance ≥ 0%	100%
0% > outperformance	0

RSARs

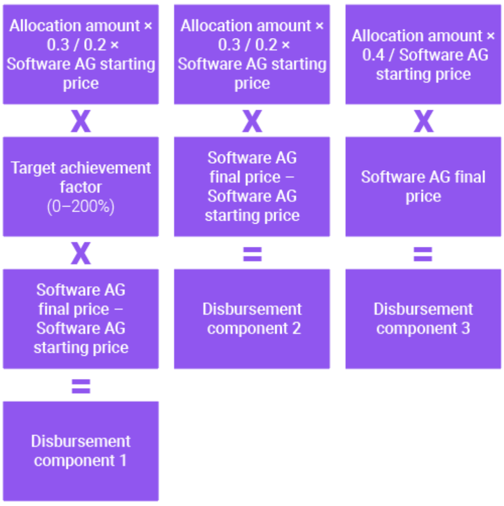
The number of allocated RSARs does not change over the course of the term. The disbursement amount depends on the average share price of the Software AG share during the 20 trading days before (and including) March 24, 2023.

Disbursement for RSARs is limited to 300 percent of the target amount multiplied by 0.4 percent.

Management Incentive Plan 2020 (MIP 2020)

Rights under MIP 2020 were allocated to Management Board members in June 2020.

Figure 8 **Calculation of MIP 2020**



The plan differentiates between three types of value rights (VRs): two types of performance shares (components 1 and 2) and retention shares (component 3).

Component 1

The number of granted VRs under component 1 at the end of the three-year term is determined by the target achievement factor. For PSARs, the target achievement factor is defined as the outperformance of the Software AG share in comparison to the MDAX price index (see Figure 8). The outperformance is calculated as the difference between the appreciation of the Software AG share and the appreciation of the MDAX price index over the three-year term of the MIP tranche. The target achievement factor is a minimum of 0 in the case of outperformance of less than 0 percent. The target achievement factor reaches the maximum value of 2 in the case of outperformance of at least 20 percent. Between the minimum and maximum values, the target achievement factor increases on a linear basis.

The value of the VRs under component 1 is calculated as the product of the target achievement factor and the difference between the starting and final price of the Software AG share. The starting price is defined as the average Software AG share price during the 20 trading days before (and including) June 8, 2020, i.e. €33.96. The final price is calculated as the average Software AG share price during the 20 trading days before (and including) June 8, 2023.

The disbursement amount for component 1 is limited to 300 percent of the target amount established by the Supervisory Board, multiplied by 0.3 percent.

Components 2 and 3

The number of allocated VRs under components 2 and 3 does not change over the course of the term. The disbursement amount for both components depends on the Software AG share price. Component 2 is defined as the difference between the starting price and the final price of Software AG's shares. This is calculated as the average share price of the Software AG share during the 20 trading days before (and including) June 8, 2020. The final price is calculated as the average

Software AG share price during the 20 trading days before (and including) June 8, 2023. Component 2 is not disbursed, however, if the average price of the Software AG share is not equal to or higher than €32.72 for at least 10 consecutive trading days between May 10, 2022 and May 10, 2023.

The value for component 3 is based exclusively on this final price.

The disbursement amount for component 2 is limited to 300 percent of the target amount multiplied by 0.3 percent. The disbursement amount for component 3 is limited to 300 percent of the target amount multiplied by 0.4 percent.

The number of virtual stock options is as shown in the table below.

Virtual Stock Options Granted, Allocated or Held in the Fiscal Year

	Stock option plan	Performance period In years	Allocation date	Stock options granted No.	Value on date granted in €	Stock options expired No.	Value of expired stock options	No. of stock options as of Dec. 31, 2021	Value of stock options as of Dec. 31, 2021
Sanjay Brahmawar Chief Executive Officer	LIP	4.00	May 17, 2021	157,990	1,200,000.00	0	0.00	157,990	1,112,212.72
	MIP 2020	3.00	June 10, 2020	109,541	879,463.99	0	0.00	109,541	898,650.40
	MIP 2019	3.79	June 7, 2019	48,779	1,216,744.78	0	0.00	48,779	731,893.50
Dr. Elke Frank Chief Human Resources Officer	LIP	4.00	May 17, 2021	78,995	600,000.00	0	0.00	78,995	556,106.36
	MIP 2020	3.00	June 10, 2020	54,771	439,734.44	0	0.00	54,771	449,327.00
	MIP 2019	3.76	June 7, 2019	10,162	253,481.63	0	0.00	10,162	152,477.34
Dr. Matthias Heiden Chief Financial Officer	LIP	4.00	May 17, 2021	78,995	600,000.00	0	0.00	78,995	556,106.36
	MIP 2020	2.94	July 1, 2020	27,386	219,883.14	0	0.00	27,386	224,681.04
	MIP 2019	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dr. Stefan Sigg Chief Product Officer	LIP	4.00	May 17, 2021	78,995	600,000.00	0	0.00	78,995	556,106.36
	MIP 2020	3.00	June 10, 2020	54,771	439,734.44	0	0.00	54,771	449,327.00
	MIP 2019	3.79	June 7, 2019	24,390	608,384.16	0	0.00	24,390	365,947.56
Arnd Zinnhardt Joined May 1, 2002 Resigned from Management Board March 31, 2020 Employment contract ended Sept. 30, 2020	MIP 2020	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	MIP 2019	0.82	June 7, 2019	24,390	608,384.16	−12,195	−304,192.08	12,195	182,973.78
John Schweitzer Joined Nov. 1, 2018 Resigned from Management Board Jan. 13. 2021 End of contract Feb. 28, 2021	MIP 2020	3.00	June 10, 2020	54,771	439,734.44	−54,771	−439,734.44	0	0.00
	MIP 2019	3.79	June 7, 2019	21,655	540,162.32	−21,655	−540,162.32	0	0.00

Clawback

Under the new 2021 remuneration system, the Company is entitled, at its reasonable discretion, to adjust and reclaim the amounts disbursed as variable remuneration if the audited consolidated financial statements, and/or the basis for establishing the targets on which calculation of the variable remuneration was based, must subsequently be corrected because they prove to be objectively incorrect, and such error has led to false calculation of the variable remuneration. The amount of the repayment claim is equal to the difference between the amounts actually disbursed by the Company and the amounts that should have been disbursed under the policies on variable remuneration, based on the corrected basis of calculation.

In the event of a breach of duty by a Management Board member pursuant to section 93 of AktG, or a material breach of the Code of Conduct of the Company, the Supervisory Board can reduce or reclaim the variable remuneration components in part or in full (to zero).

If the corrected basis of calculation for variable remuneration or the specified breaches affect several of the variable remuneration components that have been disbursed, then all amounts disbursed for the variable remuneration components can be reduced or reclaimed. This repayment claim remains valid until four years have elapsed after disbursement of the variable remuneration components in question.

The clawback policy under the new remuneration system applies to Dr. Sigg. Mr. Brahmawar, Dr. Frank and Dr. Heiden will be subject to the new clawback policy only in the event that their employment contracts are extended and the new remuneration system applies to them accordingly.

In fiscal 2021, no variable salary components from previous years were reclaimed.

2.2.2 Maximum remuneration

The total remuneration (sum of all remuneration amounts paid for the relevant fiscal year including fixed annual salaries, variable remuneration components, service costs for contributions to private pension plans, and additional benefits) granted to members of the Management Board in a fiscal year is capped ("maximum remuneration") at an absolute amount—whether payment is made during the given year or at a later date.

Maximum remuneration for the CEO is €5,900,000.00 and for the other members of the Management Board €2,900,000.00 each. If total remuneration calculated for one year exceeds the limit, the LTI disbursement amount is reduced as necessary so as to comply with the maximum remuneration policy. If necessary, the Supervisory Board may reduce other remuneration components or demand reimbursement of remuneration already granted, at its reasonable discretion. The defined maximum Management Board remuneration was observed in the 2021 fiscal year.

The new remuneration system's maximum remuneration is applicable to Dr. Sigg. Mr. Brahmawar, Dr. Frank and Dr. Heiden are only subject to the new maximum remuneration policy if their employment contracts are renewed and the current remuneration system is accordingly applicable. Under the old remuneration system, there are no caps on variable remuneration components in absolute terms; caps are expressed as percentages, from which an absolute amount can be calculated. There is no explicit cap expressed as an absolute amount on total remuneration.

2.2.3 Share Ownership Guidelines

As per the Share Ownership Guidelines, after the end of a four-year accrual period, members of the Management Board are contractually required to hold one fixed net annual salary in Software AG shares for the duration of their Management Board term. Compliance with this requirement must be verified at the conclusion of the four-year accrual period and once per year thereafter. If the value of the accrued balance of Software AG shares drops below the required amount, the Management Board member must purchase more retrospectively.

The Share Ownership Guidelines are applicable to Dr. Sigg. They will only by applicable to Mr. Brahmawar, Dr. Frank and Dr. Heiden if their employment contracts are renewed and, accordingly, the current remuneration system becomes applicable.

2.2.4 Calculation of remuneration for additional activities

If a Group-internal supervisory board appointment is undertaken by a member of the Management Board, remuneration for the appointment will be credited against total remuneration. If a Supervisory board appointment is undertaken by a member of the Management Board outside of the Group, the Supervisory Board decides based on its best judgment if and how much of that remuneration to offset. No remuneration for additional activities was recognized in the 2021 fiscal year.

2.2.5 Obligations in connection with termination of service

2.2.5.1 Termination through regular expiration of the appointment

No severance or special payments will be provided.

If a Management Board contract is terminated by the Management Board member or is terminated with good cause for which the member him/herself is responsible, a severance payment will not be paid.

2.2.5.2 Obligations when a Management Board member leaves

If a Management Board contract is terminated without good cause, a possible severance payment to the Management Board member is limited to the value of one maximum total target remuneration (excluding LIP, contributions to private pension plans, and additional benefits) and may not exceed the contractually stipulated remuneration for the remaining term (severance cap).

2.2.5.3 Post-contractual non-competition clause

In the case of agreement on a post-contractual non-competition clause, a severance payment will be offset against the compensation. Currently, only one Management Board member's employment contract contains a post-contractual non-competition clause valid for a period of 12 months from the end of the contract. This Board member shall receive monthly compensation in the amount of the monthly total target remuneration (not including additional benefits) for the duration of the post-contractual non-competition period. Accordingly, the total severance payment by Software AG as described above—consisting of one total target remuneration (excluding LIP, contributions to private pension plans, and additional benefits) and non-competition compensation—does not exceed the severance cap of two years' annual remuneration as recommended by the GCGC.

2.2.5.4 Obligations in the context of company control

If an employment contract ends due to a change of control, no additional severance will be paid.

The policy on change of control is applicable to Dr. Sigg. It would only apply to Mr. Brahmawar, Dr. Frank and Dr. Heiden if their employment contracts were renewed and, accordingly, the current remuneration system were applicable. They are subject to the old policy which stipulates that, if terminated without good cause within 12 months of a change of control, the Management Board member will receive a severance payment equal to 1.5 annual salaries based on the most recently agreed annual target remuneration, capped at the amount of target remuneration for the remaining term of the contract. In the case of resignation by a member of the Management Board, the above mentioned policy is not applicable if the position of the Management Board member has only been altered marginally through the change of control.

2.2.6 Remuneration in the event of illness

In the event of illness, the members of the Management Board will receive full pay based on their annual target remuneration for a period of six (in three Management Board members' contracts) and 12 months (in one Management Board member's contract). Thereafter, the variable remuneration component will be reduced by one-twelfth for every month that follows. Salary payments will cease at the end of the term of the contract in any event. Any health insurance benefits received must be credited against such payments.

2.2.7 Remuneration in the event of permanent disability

In the event of permanent disability, the employment contract of the Management Board member concerned will terminate at the end of the third month from that in which the permanent disability was determined. When in doubt, permanent disability is determined by an expert assessment. In the case of two Management Board members' contracts, a permanent disability is deemed to be present when the Board member has been unable to work for 12 consecutive months. From the date of departure due to permanent disability until completion of the 62nd year of age, one member of the Management Board will receive a monthly disability pension of €13.6 thousand (2020: €13.6 thousand), two members of the Management Board will receive €13.2 thousand (2020: €13.2 thousand) and the CEO €20.1 thousand (2020: €20.1 thousand). The disability pension is increased annually by the percentage by which the consumer price index for Germany published by the Federal Statistical Office has increased in comparison to the previous year.

2.2.8 No additional other awards

No commitments beyond those outlined above have been made regarding severance pay in the event the employment contract is not renewed or a shareholder change occurs nor regarding continuation of salary payments in the event of early termination of employment or severance annuities.

3 COMPLIANCE WITH THE REMUNERATION SYSTEM AND DETERMINATION OF TARGET ACHIEVEMENT

3.1 SUPPORTING THE COMPANY'S SUSTAINABLE DEVELOPMENT

The remuneration system supports Software AG's business strategy and the long-term interests of the Company, investors and shareholders, thereby contributing to Software AG's long-term sustainable development. Driving profitable and sustainable growth in Software AG's business lines is the focus of and basis for the Management Board's remuneration system's structure. The remuneration system addresses sustainable and long-term growth with various objectives geared toward profitability, company growth, enterprise value creation, as well as environmental and social sustainability. These targets prioritize the long-term goals defined by Software AG's Helix strategy. The remuneration system uses financial and non-financial metrics with differing, often multi-year, terms so as to sustainable support the Company's strategic success. In creating the remuneration system, particular emphasis was given to harmonizing shareholder interests and expectations with the Management Board's remuneration.

3.2 COMPLIANCE WITH THE REMUNERATION SYSTEM

The applicable remuneration system was observed without deviation for each member of the Management Board in the 2021 fiscal year.

3.3 TARGET ACHIEVEMENT

3.3.1 Short-Term Incentive Plan

Performance criteria for 2021

Target achievement for the 2021 fiscal year was comprised as follows: 70 percent financial company targets, 20 percent individual targets for each Board member, and 10 percent ESG targets. If the targets are exceeded by more than 100 percent, one-third of the outperformance is transferred to the PPS plan. The financial targets applicable to all members of the Management Board for 2021and their target achievement were as follows:

Financial Company Targets

Description of performance criteria	Relative weighting of performance criteria	Target achievement 0%	Target achievement 100%	Target achievement 200%	Target achievement as %	Target achievement weighted at 100% as %
Digital Business Group product bookings	20%	2020 +17.8%	2020 +23.4%	2020 +28.9%	0.0%	0.0%
A&N Group product bookings	10%	2020 −28.8%	2020 −23.3%	2020 −17.9%	200.0%	20.0%
Digital Business product revenue	15%	2020 +4.9%	2020 8.2%	2020 +11.5%	12.9%	1.9%
A&N product revenue	5%	2020 −9.2%	2020 −4.7%	2020 −0.2%	158.7%	7.9%
Group EBITA margin (non-IFRS)	20%	13.9%	16.4%	18.9%	200.0%	40.0%
Total	**70%**					**69.9%** projected to 100% >> 99.8%

Achievement of Financial Targets by Management Board Member

Name	Remuneration for target achievement 0% in €	Remuneration for target achievement 100% in €	Remuneration for target achievement 200% in €	Actual remuneration in €
Sanjay Brahmawar CEO	0.00	1,088,888.89	2,290,123.45	1,092,516.43
Dr. Elke Frank	0.00	357,777.78	743,209.88	359,376.48
Dr. Matthias Heiden	0.00	474,444.46	1,002,469.16	475,821.61
Dr. Stefan Sigg	0.00	517,222.22	1,104,012.36	518,233.40

The ESG targets applicable to all Management Board members in 2021 and their target achievement were as follows:

Environmental, Social and Governance (ESG) Targets

Description of performance criteria	Relative weighting of performance criteria	Target achievement 0%	Target achievement 100%	Target achievement 200%	Target achievement as%	Target achievement weighted at 100% as %
Employee Engagement Score	5%	3.80	3.95	4.10	200.0%	10.0%
Net Promoter Score	5%	44	50	56	167.0%	8.4%
Total	**10%**					**18.4%** projected to 100% >> 183.5%

Environmental, Social and Governance (ESG) Target Achievement

Name	Remuneration for target achievement 0% in €	Remuneration for target achievement 100% in €	Remuneration for target achievement 200% in €	Actual remuneration in €
Sanjay Brahmawar CEO	0.00	155,555.56	327,160.05	286,913.38
Dr. Elke Frank	0.00	51,111.12	106,172.86	94,378.37
Dr. Matthias Heiden	0.00	67,777.78	143,209.88	124,958.84
Dr. Stefan Sigg	0.00	73,888.88	157,716.04	136,096.90

Individual Targets by Management Board Member and their Achievement

Name	Weighting as %	Topic	Target	Target achievement by target as %	Total target achievement as %
Sanjay Brahmawar CEO	10%	Customer and partner engagement	Generation of new market opportunities	200%	200.0%
	10%	Helix transformation strategy	Adherence to implementation plan including employee engagement	200%	
Dr. Elke Frank	10%	Talent management	Achievement degree of defined KPIs on schedule	200%	200%
	10%	Helix transformation with focus on SecureBiz program	Achievement degree of defined KPIs on schedule	200%	
Dr. Matthias Heiden	10%	Investor relations transparency	Achievement degree of defined transparency-related KPIs including capital market feedback	200%	200.0%
	10%	Cash flow and customer contract management	Development of new systems to improve cash flow and contract management through defined measures	200%	
Dr. Stefan Sigg	7.5%	Product innovation and positioning with analysts	Improved product positioning and acceleration of growth toward IoT market leadership	200%	200%
	7.5%	Product innovation and positioning: competitive performance	Improved market positioning compared with competition; increased percentage of deals won against competition	200%	
	5%	Product quality: average response time to customer queries	Achievement of defined KPIs for response time to customer queries	200%	

Achievement of Individual Targets by Management Board Member

Name	Remuneration for target achievement 0% in €	Remuneration for target achievement 100% in €	Maximum remuneration[I] for target achievement 200% in €	Actual remuneration in €
Sanjay Brahmawar CEO	0.00	311,111.12	654,321.02	625,555.38
Dr. Elke Frank	0.00	102,222.22	212,172.84	205,772.56
Dr. Matthias Heiden	0.00	135,555.56	276,419.76	272,446.96
Dr. Stefan Sigg	0.00	147,777.78	315,432.10	296,731.18

Total Target Achievement and Bonuses for 2021

Name	Remuneration for target achievement 0% in €	Remuneration for target achievement 100% in €	Remuneration for target achievement 200% in €	Total target achievement as %	Bonus[II] remuneration amount in €	Of which one-year variable remuneration in €
Sanjay Brahmawar CEO	0.00	**1,555,555.57**	3,271,604.52	128.2%	2,004,985.19	1,188,133.33
Dr. Elke Frank	0.00	**511,111.12**	1,061,555.58	128.2%	659,527.41	475,253.33
Dr. Matthias Heiden	0.00	**677,777.80**	1,422,098.80	128.2%	873,227.41	475,253.33
Dr. Stefan Sigg	0.00	**738,888.88**	1,577,160.50	128.2%	951,061.48	415,846.67

I The values only apply if all other targets were achieved by either 0 or 200 percent. This logic results from the non-linear calculation of target achievement amounts due to the 10 percent deduction to the average share price in February of the following year when converting target achievement amounts in euros to PPS. The conversion of one-third of the target achievement over 100 percent to PPS is also accounted for.

II The included multi-year remuneration component is not shown as remuneration until disbursement.

4 BENEFITS IN THE 2021 FISCAL YEAR

The introduction of section 162 of AktG significantly changes the presentation of Management Board remuneration as compared to the existing provisions of the GCGC under no. 4.2.5, appendix tables 1 and 2, in the version dated February 7, 2017. Neither the revised GCGC effective as of March 20, 2020 nor the ARUG II version of section 162 of AktG recommends or requires reporting "Benefits Granted" as previously presented. Because past reporting of "Benefits Granted" pursuant to GCGC (old version) is not equivalent to "Granted and Owed Remuneration" pursuant to section 162 (1), sentence 1 of AktG, the key differences will be explained as follows:

- "Benefits Granted" pursuant to GCGC (old version) are—regardless of the date of disbursement—remuneration components that were allocated (at least for a reason) to a member of the Management Board in the fiscal year and their (future) amount can at least be estimated.
- By contrast, "Granted and Owed Remuneration" pursuant to section 162 (1), sentence 1 of AktG is only that remuneration which was actually paid in the fiscal year or that remuneration which, pursuant to the draft justification (BT-Drs. 19/9739, p. 111), can be proven to be "due in accordance with legal categories, but not (yet) paid."
- This interpretation of section 162 of AktG corresponds to IDW's interpretation 1 of this new section. Furthermore, the IDW also prepared an interpretation 2 of section 162 of AktG. According to interpretation 2, remuneration completely earned but not due until the following year can also be presented as management board remuneration. Because the IDW's interpretation 2 more accurately reflects business reality than the purely cash flow-oriented approach in the IDW's interpretation 1, Software AG's Management Board and Supervisory Board opted to apply interpretation 2 in this Remuneration Report. Overall, this presentation is significantly closer to the previously used form of reporting pursuant to GCGC.
- The presentation used to report remuneration from share-based remuneration has changed fundamentally compared with previous presentation. Up to now, this remuneration has been shown at fair value in the year of award. The IDW also provided two different presentation options for this. According to interpretation 1, stock appreciation rights, or PPS, are only shown as remuneration in the amount of disbursement in the year they are disbursed. According to the IDW's interpretation 2, stock appreciation rights are usually shown as remuneration in the year in which all exercise conditions are met and thus the stock appreciation rights become due. This is often the case in the year before actual disbursement. If, due to additional share price changes, the final payments are in amounts other than those indicated in the previous year, these differences must be reported unequivocally in the Remuneration Report in the year of disbursement.
- Interpretation 2 makes reporting of stock appreciation rights significantly more complicated. Specifically regarding PPS, under the old PPS model, these would always have to be shown as remuneration based on the tranches due in the respective year; and the difference between the final payment amounts in the following year and the figure indicated the year before would have to be corrected. Under the new PPS model (Dr. Sigg), one-third of the original award would be earned annually and thus presented as remuneration as per the IDW's interpretation 2. Here, as well, deviations from remuneration reported in the Remuneration Report in previous years would have to be disclosed in the fifth year, the disbursement year. To avoid the complex presentation of the IDW's interpretation 2, the Management Board and Supervisory Board opted to present

remuneration from stock options in accordance with the IDW's interpretation 1. Accordingly, remuneration from stock options under all plans will be shown consistently for the year of disbursement.

- In contrast to the previous GCGC presentation, service cost will no longer be shown in the year pension entitlements are earned. Under the new provisions of section 162 of AktG, pension will be shown as remuneration in the year of allocation to beneficiaries. Only if a contribution is paid to set up a private pension plan, as per the new Management Board remuneration model, or if pension entitlements acquired to date are paid in in one or multiple sums (new model Dr. Sigg), will the pension benefit be shown as remuneration in the year of disbursement or the year it becomes due for disbursement. Pensions will only be shown as remuneration in the years they are disbursed to the pensioner, who will be named. In accordance with the data protection regulations in section 162 (5) of AktG, these disclosures will be made individually for up to 10 years after the end of the fiscal year in which the member left the Management Board.

4.1 GRANTED AND OWED REMUNERATION PURSUANT TO SECTION 162 OF AKTG

According to section 162 (1), sentence 1, sentence 2, no. 1 of AktG, all fixed and variable remuneration components that were "granted and owed" to individual members of the Management Board in 2020 and 2021 are to be disclosed. This does not correspond to the disclosures previously required in accordance with the GCGC (old version) under "allocation." The difference to the previous allocation disclosure is in the application of the IDW's interpretation 1 and the period postponement of the one-year variable remuneration. But because Software AG follows the IDW's interpretation 2, there is no difference regarding one-year variable remuneration compared with the previously presented allocation table pursuant to GCGC. There is however a difference with regard to the former disclosure of service cost as a component of total remuneration in that the service cost will no longer be shown as a component of remuneration or allocation. In contrast to the former allocation disclosures, pension entitlements will now be shown in the year in which they are actually paid to Board members, not in the year in which they were earned. Pension allocations are only shown when they are actually paid to the pensioner. Accordingly, only contributions to setting up a private pension plan and disbursements of previously earned pension entitlements for the transition from the old benefit model to the new, as in the case of Dr. Sigg in 2021, will be presented during active duty of Management Board member.

Granted and Owed Remuneration for Active Management Board Members (1)

			Sanjay Brahmawar Chief Executive Officer Joined Aug. 1, 2018				Dr. Elke Frank Chief Human Resources Officer Joined Aug. 1, 2019			
in €			2020	2020 (as %)	2021	2021 (as %)	2020	2020 (as %)	2021	2021 (as %)
Non-performance-based components	Fixed compensation (base salary)		999,999.96	45.2%	999,999.96	44.7%	500,000.04	50.5%	500,000.04	49.9%
	Additional benefits[1]		9,675.13	0.4%	6,731.67	0.3%	16,706.19	1.7%	21,458.19	2.1%
	Total		**1,009,675.09**	**45.6%**	**1,006,731.63**	**45.0%**	**516,706.23**	**52.2%**	**521,458.23**	**52.0%**
Performance-based components	One-year variable remuneration[2]		1,178,956.67	53.3%	1,188,133.33	53,1%	471,582.67	47.7%	475,253.33	47.5%
	Multi-year variable remuneration									
	with long-term share-based incentive	Performance Phantom Shares (PPS)[3]	25,155.24	1.1%	41,878.28	1.9%	1,070.08	0.1%	4,828.28	0.5%
Other			0.00	0.0%	0.00	0.0%		0.0%	0.00	0.0%
Repayment claims pursuant to section 162 (1), s.2 , no. 4 AktG			0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
Total			**2,213,787.00**	**100.0%**	**2,236,743.24**	**100.0%**	**989,358.98**	**100.0%**	**1,001,539.84**	**100.0%**
Payout for pension plan[4]			0.00	0.0%	0.00	0.0%	0.00	0.0%	0.0	0.0%
Total remuneration			**2,213,787.00**	**100.0%**	**2,236,743.24**	**100.0%**	**989,358.98**	**100.0%**	**1,001,539.84**	**100.0%**
Percentage of fixed remuneration in total remuneration				**45.6%**		**45.0%**		**52.2%**		**52.1%**
Percentage of variable remuneration in total remuneration				**54.4%**		**55.0%**		**47.8%**		**47.9%**

1 Additional benefits include provision of a company car, voluntary social security and accident insurance premiums, and vacation allowances.

2 The one-year variable remuneration depends, firstly, on the achievement of the Company's bookings and earnings targets communicated to the capital market for the respective fiscal year and, secondly, on the achievement of individual strategic, qualitative or quantitative targets specifically defined according to the responsibilities of the member of the Management Board. The possible range of achieving a target is between 0 and 200 percent. One-third of over achievement (greater than 100 percent) of a target is not paid in cash, but rather must be invested in phantom shares. The highest attainable one-year variable remuneration decreases accordingly.

3 Members of the Management Board invest a portion of their variable compensation in PPS shares, which have a vesting period of one, two and three years for each third of PPS shares respectively. Under the new Management Board remuneration model, first applicable to Dr. Sigg in 2021, the vesting period is consistently four years for all PPS. The investment amount depends, firstly, on the Company's achievement of the revenue and earnings targets communicated to the capital market for the respective fiscal year; secondly, it depends on the achievement of individual strategic, quantitative, ESG or qualitative targets specifically defined according to the responsibilities of the member of the Management Board. The possible range of meeting a target is between 0 and 200 percent. When performance is greater than 100 percent, the conversion amount increases by one-third of the outperformance amount of the one-year variable remuneration, which is not paid out but invested in phantom shares. Conversion to PPS is based on the average price of Software AG's share in February of the following year less 10 percent. When the vesting period is over, members of the Management Board can choose if they want to receive payment of the due amount or to reinvest it partially or entirely in PPS. The term of this reinvestment is limited to a maximum of six years and four months after the term of the Management Board member's contract has ended. Members of the Management Board can request to receive payment at any time during defined windows of time.

4 The revised pension policy under the new remuneration system applies to Dr. Sigg for the first time in 2021. He receives an annual contribution to a private pension plan in the amount of €150,000.00. In 2021, Dr. Sigg additionally received a one-time payment in the amount of €1,913,097.00 as compensation for the old pension plan. This one-time payment was not included in the calculation of his maximum remuneration since it represents a severance payment for pension entitlements acquired in previous years. In total, pension payments of €2,063,097.00 were therefore presented in the Remuneration Report.

Granted and Owed Remuneration for Active Management Board Members (2)

			Dr. Matthias Heiden Chief Financial Officer Joined July 1, 2020				Dr. Stefan Sigg Chief Product Officer Joined April 1, 2017			
in €			2020	2020 (as %)	2021	2021 (as %)	2020	2020 (as %)	2021	2021 (as %)
Non-performance-based components	Fixed compensation (base salary)		300,000.00	54.8%	600,000.00	54.4%	699,999.96	48.6%	699,999.96	19.1%
	Additional benefits[1]		12,226.40	2.2%	23,364.39	2.1%	29,194.79	2.0%	42,082.03	1.1%
	Total		**312,226.40**	**57.0%**	**623,364.39**	**56.5%**	**729,194.75**	**50.6%**	**742,081.99**	**20.2%**
Performance-based components	One-year variable remuneration[2]		235,791.33	43.0%	475,253.33	43.1%	412,634.83	28.6%	415,846.67	11.3%
	Multi-year variable remuneration									
	with long-term share-based incentive	Performance Phantom Shares (PPS)[3]	0.00	0.0%	4,077.40	0.4%	300,297.08	20.8%	456,143.62	12.4%
Other			0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
Repayment claims pursuant to section 162 (1), s.2 , no. 4 AktG			0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
Total			**548,017.73**	**100.0%**	**1,102,695.12**	**100.0%**	**1,442,126.66**	**100.0%**	**1,614,072.28**	**43.9%**
Payout for pension plan[4]			0.00	0.0%	0.00	0.0%	0.00	0.0%	2,063,097.00	56.1%
Total remuneration			**548,017.73**	**100.0%**	**1,102,695.12**	**100.0%**	**1,442,126.66**	**100.0%**	**3,677,169.28**	**100.0%**
Percentage of fixed remuneration in total remuneration				**57.0%**		**56.5%**		**50.6%**		**76.3%**
Percentage of variable remuneration in total remuneration				**43.0%**		**43.5%**		**49.4%**		**23.7%**

1 Additional benefits include provision of a company car, voluntary social security and accident insurance premiums, and vacation allowances.

2 The one-year variable remuneration depends, firstly, on the achievement of the Company's bookings and earnings targets communicated to the capital market for the respective fiscal year and, secondly, on the achievement of individual strategic, qualitative or quantitative targets specifically defined according to the responsibilities of the member of the Management Board. The possible range of achieving a target is between 0 and 200 percent. One-third of over achievement (greater than 100 percent) of a target is not paid in cash, but rather must be invested in phantom shares. The highest attainable one-year variable remuneration decreases accordingly.

3 Members of the Management Board invest a portion of their variable compensation in PPS shares, which have a vesting period of one, two and three years for each third of PPS shares respectively. Under the new Management Board remuneration model, first applicable to Dr. Sigg in 2021, the vesting period is consistently four years for all PPS. The investment amount depends, firstly, on the Company's achievement of the revenue and earnings targets communicated to the capital market for the respective fiscal year; secondly, it depends on the achievement of individual strategic, quantitative, ESG or qualitative targets specifically defined according to the responsibilities of the member of the Management Board. The possible range of meeting a target is between 0 and 200 percent. When performance is greater than 100 percent, the conversion amount increases by one-third of the outperformance amount of the one-year variable remuneration, which is not paid out but invested in phantom shares. Conversion to PPS is based on the average price of Software AG's share in February of the following year less 10 percent. When the vesting period is over, members of the Management Board can choose if they want to receive payment of the due amount or to reinvest it partially or entirely in PPS. The term of this reinvestment is limited to a maximum of six years and four months after the term of the Management Board member's contract has ended. Members of the Management Board can request to receive payment at any time during defined windows of time.

4 The revised pension policy under the new remuneration system applies to Dr. Sigg for the first time in 2021. He receives an annual contribution to a private pension plan in the amount of €150,000.00. In 2021, Dr. Sigg additionally received a one-time payment in the amount of €1,913,097.00 as compensation for the old pension plan. This one-time payment was not included in the calculation of his maximum remuneration since it represents a severance payment for pension entitlements acquired in previous years. In total, pension payments of €2,063,097.00 were therefore presented in the Remuneration Report.

Granted and Owed Remuneration for Active Management Board Members (3)

in €			John Schweitzer Chief Revenue Officer Joined Nov. 1, 2018 Resigned from Management Board Jan. 13, 2021 End of contract Feb. 28, 2021			
		2020	2020 (as %)	2021	2021 (as %)	
Non-performance-based components	Fixed compensation (base salary)	614,293.79	25.7%	96,148.12	13.6%	
	Additional benefits[1]	53,738.55	2.3%	72,940,71	10.3%	
	Total	**668,032.34**	**28.0%**	**169,088.83**	**23.9%**	
Performance-based components	One-year variable remuneration[2]	1,687,995.68	70.6%	137,764,96	19.5%	
	Multi-year variable remuneration					
	with long-term share-based incentive – Performance Phantom Shares (PPS)[3]	20,525.17	0.9%	398,064.60	56.3%	
Other (severance payments)		0.00	0.0%	0.00	0.0%	
Repayments claims pursuant to section 162 (1), s.2 , no. 4 AktG		0.00	0.0%	0.00	0.0%	
Total		**2,376,553.19**	**99.5%**	**704,918.39**	**99.7%**	
Payout for pension plan[4]		12,759.30	0.5%	2,065.77	0.3%	
Total remuneration		**2,389,312.49**	**100%**	**706,984.16**	**100%**	
Percentage of fixed remuneration in total remuneration			**28.5%**		**24.2%**	
Percentage of variable remuneration in total remuneration			**71.5%**		**75.8%**	

Granted and Owed Remuneration for Former Management Board Members (4)

in €		Arnd Zinnhardt Chief Financial Officer Joined May 1, 2002 Resigned from Management Board March 31, 2020 End of contract Sept. 30, 2020				Karl-Heinz Streibich Chief Executive Officer Served Oct. 1, 2003- July 7, 2018			
		2020	2020 (as %)	2021	2021 (as %)	2020	2020 (as %)	2021	2021 (as %)
Non-performance-based components	Fixed compensation (base salary)	110,428.83	2.4%	0.00	0.0%	0.00	0.0%	0.00	0.0%
	Additional benefits[1]	9,425.53	0.2%	0.00	0.0%	0.00	0.0%	0.00	0.0%
	Total	**119,854.36**	**2.6%**	**0.00**	**0.0%**	**0.00**	**0.0%**	**0.00**	**0.0%**
Performance-based components	One-year variable remuneration[2]	808,968.83	17.7%	0.00	0.0%	0.00	0.0%	0.00	0.0%
	Multi-year variable remuneration								
	with long-term share-based incentive – Performance Phantom Shares (PPS)[3]	1,321,321.55	28.9%	1,216,403.58	84.4%	274,386.60	43.3%	274,386.60	43.3%
Other (severance payments)		0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
Repayments claims pursuant to section 162 (1), s.2 , no. 4 AktG		0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
Total		**4,573,140.41**	**100%**	**1,441,403.58**	**100%**	**274,386.60**	**43.3%**	**274,386.60**	**43.3%**
Payout for pension plan[4]		0.00	0.0%	0.00	0.0%	358,926.72	56.7%	358,926.72	56.7%
Total remuneration		**4,573,140.41**	**100%**	**1,441,403.58**	**100%**	**633,313.32**	**100%**	**633,313.32**	**100%**
Percentage of fixed remuneration in total remuneration			**2.6%**		**0.0%**		**56.7%**		**56.7%**
Percentage of variable remuneration in total remuneration			**97.4%**		**100%**		**43.3%**		**43.3%**

1 Additional benefits include provision of a company car, voluntary social security and accident insurance premiums, and vacation allowances.

2 The one-year variable remuneration depends, firstly, on the achievement of the Company's bookings and earnings targets communicated to the capital market for the respective fiscal year and, secondly, on the achievement of individual strategic, qualitative or quantitative targets specifically defined according to the responsibilities of the member of the Management Board. The possible range of achieving a target is between 0 and 200 percent. One-third of over achievement (greater than 100 percent) of a target is not paid in cash, but rather must be invested in phantom shares. The highest attainable one-year variable remuneration decreases accordingly.

3 Members of the Management Board invest a portion of their variable compensation in PPS shares, which have a vesting period of one, two and three years for each third of PPS shares respectively. Under the new Management Board remuneration model, first applicable to Dr. Sigg in 2021, the vesting period is consistently four years for all PPS. The investment amount depends, firstly, on the Company's achievement of the revenue and earnings targets communicated to the capital market for the respective fiscal year; secondly, it depends on the achievement of individual strategic, quantitative, ESG or qualitative targets specifically defined according to the responsibilities of the member of the Management Board. The possible range of meeting a target is between 0 and 200 percent. When performance is greater than 100 percent, the conversion amount increases by one-third of the outperformance amount of the one-year variable remuneration, which is not paid out but invested in phantom shares. Conversion to PPS is based on the average price of Software AG's share in February of the following year less 10 percent. When the vesting period is over, members of the Management Board can choose if they want to receive payment of the due amount or to reinvest it partially or entirely in PPS. The term of this reinvestment is limited to a maximum of six years and four months after the term of the Management Board member's contract has ended. Members of the Management Board can request to receive payment at any time during defined windows of time.

4 The revised pension policy under the new remuneration system applies to Dr. Sigg for the first time in 2021. He receives an annual contribution to a private pension plan in the amount of €150,000.00. In 2021, Dr. Sigg additionally received a one-time payment in the amount of €1,913,097.00 as compensation for the old pension plan. This one-time payment was not included in the calculation of his maximum remuneration since it represents a severance payment for pension entitlements acquired in previous years. In total, pension payments of €2,063,097.00 were therefore presented in the Remuneration Report.

4.2 PROPORTIONAL DISTRIBUTION OF REMUNERATION COMPONENTS

The Supervisory Board determines the total target remuneration for the individual Management Board members. Target remuneration comprises the sum of all remuneration components relevant to total remuneration. For the short-term and long-term variable remuneration components, the respective target amounts correspond to 100 percent ("Target Amounts for the Variable Remuneration Components") of the budgeted values when targets are achieved. The Supervisory Board reviews the variable remuneration components' target amounts each fiscal year. Based on past years' results in the context of budget planning for the current year, the Supervisory Board decides which objectives the Company and the members of the Management Board need to meet with regard to the stated performance criteria.

Under the new remuneration system, the CEO's fixed remuneration (fixed annual salary, service cost for contributions to private pension plans and additional benefits) is approximately 32 percent of the total target remuneration; the CEO's variable remuneration is approximately 68 percent of the total target remuneration. Of that, the CEO's STI (target amount) accounts for about 25 percent of total target remuneration and the LTI (target amount) for about 43 percent of total target remuneration. For the other members of the Management Board in the 2021 fiscal year, fixed remuneration (fixed annual salary, service cost for contributions to private pension plans, and additional benefits) is between approximately 38 and 40 percent of total target remuneration; and variable remuneration is between approximately 60 and 62 percent of total target remuneration. Of that, their STI (target amount) accounts for between approximately 16 and 20 percent of total target remuneration and the LTI (target amount) for between about 42 and 44 percent of total target remuneration.

The proportional distribution of remuneration components is applicable to Dr. Sigg. This distribution would only apply to Mr. Brahmawar, Dr. Frank and Dr. Heiden if their employment contracts were renewed and, accordingly, the current remuneration system were applicable.

The introduction of section 162 of AktG changed the presentation of the long-term variable remuneration components. In contrast to previous presentation under which long-term share-based remuneration components were shown at fair value on the award date, this remuneration is now only presented in the year of disbursement (usually after four years).

Figure 9 **CEO's Target Remuneration Components as %**

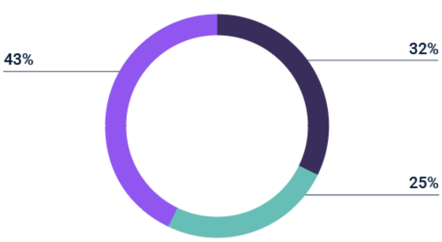
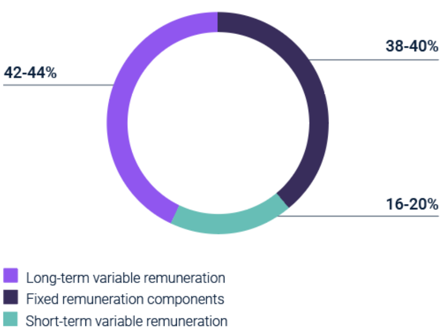


Figure 10 **Management Board Members' Target Remuneration Components as %**



The active Management Board members' remuneration components in the 2021 fiscal year were as follows:

In the 2021 fiscal year, the CEO's fixed remuneration (fixed annual salary, service cost for contributions to private pension plans, and additional benefits) is approximately 45 percent of total target remuneration and the CEO's variable remuneration is approximately 55 percent of total target remuneration. The CEO's STI (target amount) accounts for about 53 percent of total target remuneration and the LTI (target amount) for about 2 percent of total target remuneration. For the other members of the Management Board in the 2021 fiscal year, fixed remuneration (fixed annual salary and additional benefits) is between approximately 20 and 57 percent of total target remuneration; variable remuneration is between approximately 24 and 48 percent of total target remuneration. Their STI (target amount) accounts for between approximately 11 and 48 percent of total target remuneration and the LTI (target amount) for between 0 and 12 percent of total target remuneration. Due to the transition to the new Management Board Remuneration System, disbursements for pension plans for Dr. Sigg represented 56 percent of total remuneration in the 2021 fiscal year.

Figure 11 **CEO's Actual Remuneration Components in 2021 as %**

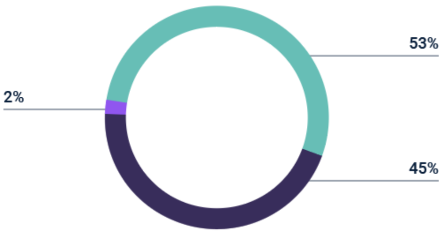
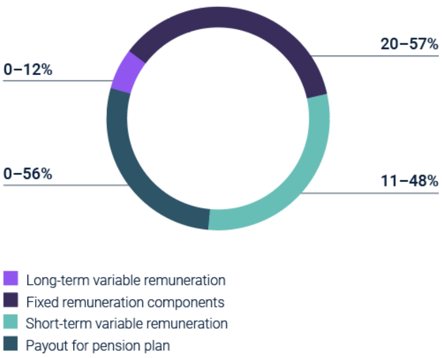


Figure 12 **Management Board Members' Actual Remuneration Components in 2021 as %**



4.3 COMPARISON OF ANNUAL CHANGE IN REMUNERATION WITH GROWTH OF EARNINGS AND EMPLOYEE SALARIES

In determining the remuneration system, the Super-visory Board's internal considerations included Software AG's compensation and employment conditions for senior management and all other employees, and particularly how salaries progressed over the course of past years. In accordance with the recommendations of the GCGC, the Supervisory Board defined the groups pertaining to senior management and to other employees consistently throughout the years of comparison; furthermore, in considering Management Board member remuneration compared with that of senior management and other employees, the Supervisory Board thoroughly verified that the Management Board members' remuneration does not increase at a faster rate than for senior management and other employees.

The table on the following page illustrates the rate of change of the Management Board members' remuneration compared with Software AG's earnings development and employees' (FTE) average remuneration year-on-year. The Management Board remuneration presented in the table are the amounts actually paid in the respective fiscal year. For current members of the Management Board, these values for the 2021 fiscal year correspond to the values indicated in the table "Granted or Owed Remuneration" in accordance with section 162 (1), sentence 1 of AktG. If a member of the Management Board was compensated on a pro rata basis in a particular fiscal year, for example due to having joined the Company mid-year, remuneration for that fiscal year was projected based on a full year for the purpose of accurate comparability.

The following section is a mandatory disclosure pursuant to section 162 (1), sentence 2, no. 2 of AktG and is not subject to the audit pursuant to section 162 (3), sentence 2 of AktG.

Earnings development is generally presented based on Software AG's net income development in accordance with section 275 (2), no. 17 of HGB. Because Software AG's net income is regularly and significantly influenced by subsidiaries' dividend disbursements in varying degrees, the comparison does not make sense from a business point of view, but is nevertheless legally required. Therefore, the Company also compares the growth of Management Board remuneration with the growth of the Software AG Group's operating EBITA (non-IFRS), which, through the EBIT (non-IFRS) margin, accounts in part as a target for variable Management Board remuneration.

The average remuneration of Software AG's staff worldwide is used in the comparison with the growth of employees' average remuneration. This comparison group was also used to assess the appropriateness of the Management Board's remuneration. This assessment examined the remuneration of all employees, including senior managers, in accordance with section 5 (3) of Germany's Works Constitution Act (BetrVG). Additional compensation for employees serving on the Supervisory Board of Software AG was not included. For the purpose of accurate comparability, remuneration for part-time staff members was calculated on the basis of full-time equivalents. To increase transparency, the growth of Management Board remuneration was also compared with the growth of remuneration for employees in the second tier of management, i.e. one level below the Management Board.

As per the IDW's "Questions and Answers: Preparation of a Remuneration Report in Accordance with Section 162 of AktG" of December 21, 2021, due to the ambiguous legal situation, there are three possible time ranges for a vertical comparison of growth of Management Board remuneration, growth of average employee salary, and growth of Software AG's earnings. A year-on-year comparison can be carried out over five years, four years and one year. A comparison of the figures for 2021 and for 2020 therefore meets the legal requirements. For the purpose of reporting efficiency, Software AG's Management Board and Supervisory Board opted to present the vertical comparison for 2021 and 2020.

Comparison of Annual Change in Management Board Remuneration:

	Remuneration 2020 in € thousands	Remuneration 2021 in € thousands	Rate of change 2021 vs. 2020	Notes
1. Remuneration of current Management Board members				
Sanjay Brahmawar CEO (since Aug. 1, 2018)	2,214	2,237	+1.0%	
Dr. Elke Frank (since Aug. 1, 2019)	989	1,002	+1.2%	
Dr. Matthias Heiden (since July 1, 2020)	1,096	1,103	+0.6%	Dr. Heiden's salary in the previous year was projected based on a full year (due to starting date on July 1, 2020).
Dr. Stefan Sigg (since April 1, 2017)	1,142	1,614	+11.9%	Dr. Sigg received payments in 2021 in the amount of €1,913 thousand for previously acquired retirement entitlements and in the amount of €150 thousand to set up a private pension plan; these were therefore recognized as remuneration in accordance with section 162 of AktG. Both pension components were subtracted from calculations to ensure accurate comparability.
John Schweitzer (joined Nov. 1, 2018 resigned from Management Board Jan. 13. 2021, end of contract Feb. 28, 2021)	2,389	2,389	0.0%	Mr. Schweitzer's salary was calculated based on 12 full months due to the termination of his employment contract on Feb. 28, 2021.
Total	**8,131**	**8,344**	**+2.6%**	
2. Remuneration of former Management Board members				
Arnd Zinnhardt (resigned from Management Board March 31, 2020, end of contract Sept. 30, 2020)	4,573	1,441	-68.5%	The decrease is due to Mr. Zinnhardt's resignation from the Management Board on March 31, 2020; therefore no adjustment for resignation-related one-time effects in the previous year's salary.
Karl-Heinz Streibich (CEO) Served Oct. 1, 2003-July 7, 2018	633	633	0.0%	
Software AG's financial performance				
Operating EBITA (non-IFRS) Software AG Group	177,049	163,756	-7.5%	
Net income after tax Software AG	41,509	7,912	-80.9%	
Average salary growth for employees				
Salary growth of all employees	82.7	84.3	+1.9%	These figures represent the average salaries of all employees worldwide. Part-time salaries have been translated into full-time equivalents.
Salary growth in the second tier of management	312.1	327.5	+4.9%	These figures represent the average salaries of all members of management who report directly to the Management Board.

4.4 ASSESSMENT OF THE APPROPRIATENESS OF THE MANAGEMENT BOARD'S REMUNERATION

Software AG's Supervisory Board assessed the appropriateness of the Management Board's remuneration in 2020 and arrived at the conclusion that the Management Board's remuneration is appropriate from a legal point of view in accordance with section 87 (1) of AktG.

To assess the appropriateness of the Management Board's remuneration and pension, the Supervisory Board regularly makes use of external consultancy services. On one hand, the amount and structure of the Management Board's remuneration are evaluated relative to the remuneration of senior management and the staff as a whole from a company-external perspective (vertical comparison). In addition to presenting the status quo, the vertical comparison also illustrates changes in remuneration proportions over time. On the other hand, the remuneration amount and structure are evaluated from the point of view of Software AG's position relative to the market (horizontal comparison). The comparison market is comprised of companies from the MDAX, the index where Software AG is listed consisting of companies of comparable size, structure, country of origin and sector as of the date of evaluation. Companies in the financial service sector are not included because their remuneration is subject to different regulations and their remuneration structures are not comparable with other industries. In addition to fixed remuneration, the horizontal comparison also includes short and long-term remuneration components as well as additional benefits and contributions to private pension plans. The Supervisory Board compiled the comparison group carefully so as to avoid an automatic upward remuneration progression.

5 SUPERVISORY BOARD REMUNERATION

5.1 SUPERVISORY BOARD REMUNERATION FOR THE 2021 FISCAL YEAR

The Supervisory Board's remuneration system is approved by the Annual Shareholders' Meeting based on a proposal by the Management Board and Supervisory Board. The remuneration is specified by way of resolution passed at the Annual Shareholders' Meeting. At regular intervals no longer than four years apart, the Management Board and Supervisory Board review whether the amount and structure of the Supervisory Board's remuneration have remained market-oriented and in appropriate relation to the duties of the Supervisory Board and to the position of the Company. This includes a horizontal market comparison conducted by the Supervisory Board for which external independent experts can be consulted. The remuneration system's market suitability was confirmed in the 2021 fiscal year. If there are grounds to change the Supervisory Board's remuneration system, the Management Board and Supervisory Board will make a proposal to the Annual Shareholders' Meeting to amend the Supervisory Board's remuneration.

The current remuneration system for the members of the Supervisory Board of Software AG was approved at the Annual Shareholders' Meeting on May 12, 2021 with a majority of 99.91 percent of shareholders' voting shares, in accordance with section 113 (3), sentence 1 and 2 of AktG, in conjunction with section 14 of Software AG's Articles of Association.

5.1.1 COMPONENTS OF SUPERVISORY BOARD REMUNERATION

The Supervisory Board's remuneration consists solely of fixed remuneration, plus compensation for attending committee meetings. There are no variable components or share-based remuneration. The Management Board and Supervisory Board do not consider success-based remuneration to be appropriate for the Supervisory Board based on the understanding of the Supervisory Board's function. The Management Board and the Supervisory Board are of the opinion that the governing role of the Supervisory Board should be carried out independently of the Company's success targets. Granting remuneration that is entirely fixed reflects common practice in other listed companies as well as corresponds to the GCGC's suggestion (G.18, sentence 1).

In accordance with the policies approved at the Annual Shareholders' Meeting, the fixed annual base remuneration for the chair of the Supervisory Board equals €145,200, for each deputy chair €99,000, and for every other member of the Supervisory Board €66,000. As per the recommendations of the GCGC, the larger time commitment of the chair and deputy chair on the Supervisory Board is accounted for in the calculation of their remuneration.

The larger time commitment is also accounted for with respect to membership in and chairing committees. Committee members receive €2,000 each time they attend a meeting of one of their committees. Attendance compensation is €4,000 for the committee chairs. Attendance compensation is granted only once for multiple committee sessions occurring on the same day or for a session that takes place over consecutive days.

Maximum Supervisory Board remuneration is the sum of fixed remuneration, the individual amounts of which depend upon tasks assumed within the Supervisory Board, and of meeting attendance compensation, the amount of which is calculated according to tasks assumed within the committees and attendance of committee meetings. The Supervisory Board's remuneration is not capped at a specific amount.

Members of the Supervisory Board are covered by a D&O liability insurance plan that the Company carries for members of its corporate bodies and whose premiums are paid by Software AG. In addition, the Company reimburses Supervisory Board members for any expenses incurred as well as any statutory value added tax on their income.

The details of Supervisory Board members' remuneration is finalized by the Annual Shareholders' Meeting; no additional or supplementary agreements exist. Remuneration is contingent upon the length of appointment as member of the Supervisory Board.

Members of the Supervisory Board who were only on the Supervisory Board for part of the fiscal year will receive pro rated fixed remuneration. Their remuneration is adjusted on a pro rata temporis basis and rounded to the next full month. Awards for severance payments, pension plans and early retirement plans do not exist.

The remuneration policies apply equally to the Supervisory Board's shareholder representatives and employee representatives.

Supervisory Board Members' Remuneration in the 2020 and 2021 Fiscal Years

in €	Fiscal year	Fixed remuneration	Remuneration for committee work	Total
Remuneration of Current Supervisory Board Members				
Karl-Heinz Streibich Chair (since June 26, 2020) Personnel Committee (chair) Nominating Committee (chair)	2021	145,200.00	32,000.00	177,200.00
	2020	74,776.02	8,000.00	82,776.02
Guido Falkenberg Dep. chair Personnel Committee	2021	82,454.79	14,000.00	96,454.79
	2020	99,000.00	12,000.00	111,000.00
Ralf Dieter (Since June 26, 2020) Audit Committee (chair) Nominating Committee	2021	66,000.00	24,000.00	90,000.00
	2020	33,989.10	16,000.00	49,989.10
Madlen Ehrlich (Since Nov. 4, 2021) Dep. chair Audit Committee	2021	16,545.21	4,000.00	20,545.21
	2020	--	--	--
Bettina Schraudolf (Since Nov. 1, 2021) Personnel Committee	2021	11,030.14	2,000.00	13,030.14
	2020	--	--	--
Ursula Soritsch-Renier (Since June 26, 2020) Audit Committee	2021	66,000.00	10,000.00	76,000.00
	2020	33,989.10	8,000.00	41,989.10
Alf Henryk Wulf (Until June 26, 2020) Personnel Committee Nominating Committee	2021	--	--	--
	2020	32,010.90	10,000.00	42,010.90
Markus Ziener Personnel Committee (since June 26, 2020) Audit Committee (until June 26, 2020) Nominating Committee	2021	66,000.00	18,000.00	84,000.00
	2020	66,000.00	10,000.00	76,000.00
Christian Zimmermann Audit Committee	2021	54,969.86	8,000.00	62,969.86
	2020	66,000.00	10,000.00	76,000.00
Remuneration of Former Supervisory Board Members				
Dr. Andreas Bereczky Chair (until June 26, 2020) Personnel Committee (chair) Nominating Committee (chair)	2021	--	--	--
	2020	70,423.98	20,000.00	90,423.98
Eun-Kyung Park (Until June 26, 2020) Audit Committee (chair)	2021	--	--	--
	2020	32,010.90	4,000.00	36,010.90
Total Supervisory Board remuneration	2021	508,200.00	112,000.00	620,200.00
	2020	508,200.00	98,000.00	606,200.00

5.1.2 COMPARISON OF ANNUAL CHANGE IN REMUNERATION WITH GROWTH OF EARNINGS AND EMPLOYEE SALARIES

The table on the following page illustrates the rate of change of the Supervisory Board members' remuneration compared with Software AG's earnings development and employees' (FTE) average remuneration year-on-year. The Supervisory Board remuneration presented in the table are the amounts actually paid in the respective fiscal year.

For the 2021 fiscal year, these values correspond to the values provided in the table "Granted and Owed Remuneration" in accordance with section 162 (1), sentence 1 of AktG. If a member of the Supervisory Board was compensated on a pro rata basis in a particular fiscal year, for example due to having joined or left the Company mid-year, remuneration was projected based on a full year for the purpose of accurate comparability. Because the number of meetings differed in the two years presented, the projections cause total amounts to deviate from the Supervisory Board's actual remuneration. For this reason, a comparison with the Supervisory Board's actual total remuneration was also carried out. This comparison seems to make the most sense from a business point of view. Any remuneration received by a member of the Supervisory Board for previous service on Software AG's Management Board, is not included in the comparison.

The following section is a mandatory disclosure pursuant to section 162 (1), sentence 2, no. 2 of AktG and is not subject to the audit pursuant to section 162 (3), sentence 2 of AktG.

Earnings development is generally presented based on Software AG's net income development in accordance with section 275 (2), no. 17 of HGB. Because Software AG's net income is regularly and significantly influenced by subsidiaries' dividend disbursements in varying degrees, the comparison does not make sense from a business point of view, but is nevertheless legally required. The Company therefore additionally compares the growth of Supervisory Board remuneration with the growth of operating EBITA (non-IFRS).

The average remuneration of Software AG's staff worldwide is used in the comparison with the growth of employees' average remuneration. This comparison group was also used to assess the appropriateness of the Management Board's remuneration. This assessment examined the remuneration of all employees, including senior managers, in accordance with section 5 (3) of BetrVG. Additional compensation for employees serving on the Supervisory Board of Software AG was not included. For the purpose of accurate comparability, remuneration for part-time staff members was calculated on the basis of full-time equivalents. To increase transparency, the growth of Supervisory Board remuneration was also compared with the growth of remuneration of employees in the second tier of management, i.e. one level below the Management Board.

As per the IDW's "Questions and Answers: Preparation of a Remuneration Report in Accordance with Section 162 of AktG" dated December 21, 2021, due to the ambiguous legal situation, there are three possible time ranges for a vertical comparison of the growth of Supervisory Board remuneration, growth of the average employee salary, and growth of Software AG's earnings.

A year-on-year comparison can be carried out over five years, four years and one year. A comparison of the figures for 2021 and for 2020 therefore meets the legal requirements. For the purpose of reporting efficiency, Software AG's Management Board and Supervisory Board opted to present the vertical comparison for 2021 and 2020.

Supervisory Board Members' Remuneration in the 2020 and 2021 Fiscal Years

in €	Fiscal year	Fixed remuneration	Remuneration for committee work	Total
Remuneration of Current Supervisory Board Members				
Karl-Heinz Streibich Chair (since June 26, 2020) Personnel Committee (chair) Nominating Committee (chair)	2021	145,200.00	32,000.00	177,200.00
	2020	74,776.02	8,000.00	82,776.02
Guido Falkenberg Dep. chair Personnel Committee	2021	82,454.79	14,000.00	96,454.79
	2020	99,000.00	12,000.00	111,000.00
Ralf Dieter (Since June 26, 2020) Audit Committee (chair) Nominating Committee	2021	66,000.00	24,000.00	90,000.00
	2020	33,989.10	16,000.00	49,989.10
Madlen Ehrlich (Since Nov. 4, 2021) Dep. chair Audit Committee	2021	16,545.21	4,000.00	20,545.21
	2020	--	--	--
Bettina Schraudolf (Since Nov. 1, 2021) Personnel Committee	2021	11,030.14	2,000.00	13,030.14
	2020	--	--	--
Ursula Soritsch-Renier (Since June 26, 2020) Audit Committee	2021	66,000.00	10,000.00	76,000.00
	2020	33,989.10	8,000.00	41,989.10
Alf Henryk Wulf (Until June 26, 2020) Personnel Committee Nominating Committee	2021	--	--	--
	2020	32,010.90	10,000.00	42,010.90
Markus Ziener Personnel Committee (since June 26, 2020) Audit Committee (until June 26, 2020) Nominating Committee	2021	66,000.00	18,000.00	84,000.00
	2020	66,000.00	10,000.00	76,000.00
Christian Zimmermann Audit Committee	2021	54,969.86	8,000.00	62,969.86
	2020	66,000.00	10,000.00	76,000.00
Remuneration of Former Supervisory Board Members				
Dr. Andreas Bereczky Chair (until June 26, 2020) Personnel Committee (chair) Nominating Committee (chair)	2021	--	--	--
	2020	70,423.98	20,000.00	90,423.98
Eun-Kyung Park (Until June 26, 2020) Audit Committee (chair)	2021	--	--	--
	2020	32,010.90	4,000.00	36,010.90
Total Supervisory Board remuneration	2021	508,200.00	112,000.00	620,200.00
	2020	508,200.00	98,000.00	606,200.00

5.1.2 COMPARISON OF ANNUAL CHANGE IN REMUNERATION WITH GROWTH OF EARNINGS AND EMPLOYEE SALARIES

The table on the following page illustrates the rate of change of the Supervisory Board members' remuneration compared with Software AG's earnings development and employees' (FTE) average remuneration year-on-year. The Supervisory Board remuneration presented in the table are the amounts actually paid in the respective fiscal year.

For the 2021 fiscal year, these values correspond to the values provided in the table "Granted and Owed Remuneration" in accordance with section 162 (1), sentence 1 of AktG. If a member of the Supervisory Board was compensated on a pro rata basis in a particular fiscal year, for example due to having joined or left the Company mid-year, remuneration was projected based on a full year for the purpose of accurate comparability. Because the number of meetings differed in the two years presented, the projections cause total amounts to deviate from the Supervisory Board's actual remuneration. For this reason, a comparison with the Supervisory Board's actual total remuneration was also carried out. This comparison seems to make the most sense from a business point of view. Any remuneration received by a member of the Supervisory Board for previous service on Software AG's Management Board, is not included in the comparison.

The following section is a mandatory disclosure pursuant to section 162 (1), sentence 2, no. 2 of AktG and is not subject to the audit pursuant to section 162 (3), sentence 2 of AktG.

Earnings development is generally presented based on Software AG's net income development in accordance with section 275 (2), no. 17 of HGB. Because Software AG's net income is regularly and significantly influenced by subsidiaries' dividend disbursements in varying degrees, the comparison does not make sense from a business point of view, but is nevertheless legally required. The Company therefore additionally compares the growth of Supervisory Board remuneration with the growth of operating EBITA (non-IFRS).

The average remuneration of Software AG's staff worldwide is used in the comparison with the growth of employees' average remuneration. This comparison group was also used to assess the appropriateness of the Management Board's remuneration. This assessment examined the remuneration of all employees, including senior managers, in accordance with section 5 (3) of BetrVG. Additional compensation for employees serving on the Supervisory Board of Software AG was not included. For the purpose of accurate comparability, remuneration for part-time staff members was calculated on the basis of full-time equivalents. To increase transparency, the growth of Supervisory Board remuneration was also compared with the growth of remuneration of employees in the second tier of management, i.e. one level below the Management Board.

As per the IDW's "Questions and Answers: Preparation of a Remuneration Report in Accordance with Section 162 of AktG" dated December 21, 2021, due to the ambiguous legal situation, there are three possible time ranges for a vertical comparison of the growth of Supervisory Board remuneration, growth of the average employee salary, and growth of Software AG's earnings.

A year-on-year comparison can be carried out over five years, four years and one year. A comparison of the figures for 2021 and for 2020 therefore meets the legal requirements. For the purpose of reporting efficiency, Software AG's Management Board and Supervisory Board opted to present the vertical comparison for 2021 and 2020.

Comparison of Annual Change in Supervisory Board Remuneration Pursuant to Section 162 (1), No. 2 of AktG

	Remuneration 2020 in € thousands	Remuneration 2021 in € thousands	Rate of change 2021 vs. 2020	Notes
Karl-Heinz Streibich Since June 26, 2020 Chair of the Supervisory Board and of the Personnel Committee	160.7	177.2	+10.3%	
Dr. Andreas Bereczky Until June 26, 2020 Chair of the Supervisory Board and of the Personnel Committee	186.5	0.0	-100.0%	
Guido Falkenberg Until Nov. 4, 2021 Deputy chair and member of the Personnel Committee	111.0	114.7	+3.3%	
Bettina Schraudolf Since Nov. 4, 2021 Member of the Personnel Committee	0.0	83.4	+100.0%	
Madlen Ehrlich Since Nov. 4, 2021 Deputy chair and member of the Audit Committee	0.0	131.6	+100.0%	
Eun-Kyung Park Until June 26, 2020 Chair of the Audit Committee	74.3	0.0	-100.0%	
Ralf Dieter Since June 26, 2020 Chair of the Audit Committee	97.0	90.0	-7.3%	
Markus Ziener Until June 26, 2020 Member of the Audit Committee Since June 26, 2020 Member of the Personnel Committee	76.0	84.0	+10.5%	
Ursula Soritsch-Renier Since June 26, 2020 Member of the Audit Committee (Until Nov. 22, 2021) Since Nov. 22, 2021 Member of the Personnel Committee	81.5	76.0	-6.8%	
Christian Zimmermann Until Nov. 4, 2021 Member of the Audit Committee	76.0	74.9	-1.5%	
Alf Henry Wulf Until June 26, 2020 Member of the Personnel Committee	86.6	0.0	-100.0%	
Total projected Supervisory Board remuneration	**949.6**	**831.7**	**-12.4%**	
Total actual Supervisory Board Remuneration	**606.2**	**620.2**	**2.3%**	
Software AG's financial performance				
Operating EBITA (non-IFRS) Software AG Group	177,049	163,756	-7.5%	
Net income after tax Software AG	41,509	7,912	-80.9%	
Average salary growth for employees				
Salary growth of all employees	82.7	84.3	+1.9%	These figures represent the average salaries of all employees worldwide. Part-time salaries have been translated into full-time equivalents.
Salary growth in the second tier of management	312.1	327.5	+4.9%	These figures represent the average salaries of all members of management who report directly to the Management Board.

AUDITOR'S REPORT

To Software Aktiengesellschaft, Darmstadt

AUDITOR'S REPORT ON THE AUDIT OF THE REMUNERATION REPORT

We have audited the accompanying remuneration report of Software Aktiengesellschaft, Darmstadt, prepared to comply with Sec. 162 AktG (Aktiengesetz: German Stock Corporation Act) for the financial year from January 1, 2021 to December 31, 2021 and the related disclosures.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD

The Executive Directors and the Supervisory Board of Software Aktiengesellschaft are responsible for the preparation of the remuneration report and the related disclosures in compliance with the requirements of § 162 AktG. The Executive Directors and the Supervisory Board are also responsible for internal controls they consider to be necessary to enable the preparation of a remuneration report including the related disclosures, that is free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITIES

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer, IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the remuneration report. The procedures selected depend on the auditor's professional judgment. This includes the assessment of the risks of material misstatement, whether due to fraud or error, in the remuneration report and related disclosures. In making those risk assessments, the auditor considers the internal control system relevant to the preparation of the remuneration report including the related disclosures. The objective of this is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Directors and the Supervisory Board, as well as evaluating the overall presentation of the remuneration report, including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

AUDIT OPINION

In our opinion, based on the evidence obtained in our audit, the remuneration report for the financial year from January 1 to December 31, 2021, including the related disclosures, complies in all material respects with the accounting provisions of § 162 AktG.

OTHER MATTER – FORMAL AUDIT OF THE REMUNERATION REPORT

The audit of the remuneration report described in this auditor's report comprises the formal audit of the remuneration report required by § 162 (3) AktG, including the issuance of a report on this audit. As we express an unqualified audit opinion on the content of the remuneration report, this also includes the opinion that the information required by § 162 (1) and (2) AktG has been disclosed in all material respects in the remuneration report.

ENGAGEMENT TERMS AND LIABILITY

This auditor's report is intended exclusively for Software Aktiengesellschaft, Darmstadt, for information on the result of the audit and liability is limited in accordance with the "BDO AG Wirtschaftsprüfungsgesellschaft - Special Terms and Conditions" dated March 1, 2021 agreed with the company and the "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated January 1, 2017 as issued by the IDW (www.bdo.de/terms-and-conditions).

It was explicitly agreed in the audit contract with the client that the inclusion of third parties in the scope of protection is not intended. Therefore, we do not assume any responsibility towards third parties.

Berlin, March 9, 2022

BDO AG
Wirtschaftsprüfungsgesellschaft

Klaus Eckmann
German Public Auditor

Ralf Pfeiffer
German Public Auditor

Report to the Annual Shareholders' Meeting on the partial utilization of the Conditional Capital 2021 with exclusion of shareholders' subscription rights by issuing convertible bonds to Silver Lake in the nominal value of EUR 344.3 million

The Annual Shareholders' Meeting of May 12, 2021 has created a new conditional capital in the amount of up to EUR 14,800,000 by issuing new no-par value registered shares ("Conditional Capital 2021") by means of the corresponding resolution. At the same time, the Annual Shareholders' Meeting on May 12, 2021 authorized the Management Board, in the period up to May 11, 2026 and subject to the consent of the Supervisory Board, to issue registered warrant bonds and/or convertible bonds and/or combinations of these instruments (Bonds) in the total nominal amount of up to EUR 750,000,000, with or without a specified maturity date, and to grant the owners or holders of the Bonds the right to convert the Bonds into new, no-par value registered shares of the Company representing a pro rata amount of the registered share capital of up to EUR 14,800,000 in accordance with the more detailed provisions of the warrant bond terms and/or convertible bond terms (Bond Terms) ("Authorization 2021"). In this context, the Management Board was authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights subject to the, inter alia to the extent, in the case of an issue against cash payment, the Management Board, following a diligent review, comes to the conclusion that the issue price of the Bonds does not materially fall short of the hypothetical market value of the Bonds as determined in accordance with generally accepted methods, particularly finance mathematics methods.

The partial utilization of the Authorization 2021 with the exclusion of the shareholders' subscription rights, as set out in the following report, was made in connection with the issue of convertible bonds to Silver Lake in the nominal value of EUR 344.3 million.

On December 13, 2021, the Management Board resolved, with the approval of the Supervisory Board, to make partial use of the Authorization 2021 and to issue subordinated, unsecured convertible bonds to Silver Lake in the nominal value of EUR 344.3 million with a division into shares of EUR 100,000 and a coupon of 2% per annum to the exclusion of shareholders' subscription rights pursuant to sections 203 (2), 186 (3) sentence 4 AktG. On February 15, 2022, the Company issued convertible bonds in a total nominal amount of EUR 344,300,000.00, making partial use of the Authorization 2021. The issuance of the convertible bonds of February 15, 2022, gives rise to the obligation in favor of the bondholders to convert each bond with a nominal value of EUR 100,000.00 each in accordance with the conversion right during the conversion period in whole, but not in part, at the conversion price of currently EUR 46.54 per share into no-par value registered shares of the Company with a pro rata amount of the registered share capital of EUR 1.00 each. If all owners of the convertible bonds of February 15, 2022 exercise their conversion rights, the share capital of the Company will be increased by a total of EUR 7,400,000.00 through the issuance of – subject to the provisions of the bond terms and conditions for adjusting the conversion price – a current number of 7,400,000 new shares with a pro rata amount of the registered share capital of EUR 1.00 each. This corresponds to an increase of the existing registered share capital of the company of around 10% at the point in time of becoming effective and at the same time at the point of the utilization of the Conditional Capital 2021.

The volume limit provided for in the Conditional Capital 2021 for shares issued against cash contribution with exclusion of subscription rights was thus complied with. The declaration on the issue of the convertible bond and a copy of the authorization resolution of December 13, 2021 was deposited with the Commercial Register, Darmstadt District Court, HRB 1562. The bonds have a term of five years (providing that they are not repurchased, converted or devalued before this). They bear interest at 2% per year. The interest is payable on semi-annually in arrears.

The Company has not previously undertaken any other measures that would count towards this volume limit.

The issuing of the convertible bonds was supported by BNP Paribas Securities Services S.C.A. as the Principal Paying Agent and Principal Conversion Agent and Conv-Ex Advisors Limited as the Calculation Agent. The defined conversion price is EUR 46.54 at the start, whereby this amount may be amended from time to time in accordance with the bond conditions.

In determining the conversion price, the pricing requirements of sections 203 (2) and 186 (3) sentence 4 AktG for the simplified exclusion of subscription rights were observed. Accordingly, the Management Board has satisfied itself after due examination that the issue price of the convertible bonds is not significantly lower than their hypothetical market value determined in accordance with recognized methods, in particular financial mathematics methods. For this purpose, the Management Board and the Supervisory Board used the closing price of Software AG shares in XETRA trading on the Frankfurt Stock Exchange on December 10, 2021 as a basis. The highest trading volumes of Software AG shares generally take place in XETRA trading, which is therefore a suitable reference for setting the price. Compared to this price, the initial conversion price of EUR 46.54 per share includes a conversion premium of approximately 20%. In doing so, the Company made use of the option provided by law in sections 203 (2) and 186 (3) sentence 4 of the AktG of simplified exclusion of subscription rights when issuing convertible bonds. Such exclusion of subscription rights was necessary in this case in order to take advantage of the favorable market situation at the time of the partial utilization of Conditional Capital 2021 for such a capital measure in the short term from the point of view of the Management Board and thus to achieve a significantly higher inflow of funds than in the case of an issue with subscription rights. In contrast, the subscription period of at least two weeks required when granting subscription rights (section 186 (1) sentence 2 AktG) would not have permitted a short-term reaction to the current market conditions. Due to the fact that the net proceeds from the offering were to be used for general corporate purposes, not only was a quick reaction to favorable market conditions required, but also a successful placement of the entire convertible bonds issued was of crucial importance for the Company. In addition, if subscription rights are granted, the final subscription price must be announced no later than three days before the end of the subscription period (section 186 (2) sentence 2 AktG). Due to the longer period between the price fixing and the start of marketing and the volatility of the stock markets, there is therefore a higher market and in particular price change risk than in the case of an allotment without subscription rights. Ensuring the attractiveness of the terms and conditions and a successful placement with subscription rights would therefore have meant a not inconsiderable safety discount on the current stock market price when setting the price. For the above reasons, it was in the interest of the Company to exclude the subscription right. The interests of the existing shareholders were adequately safeguarded by the pricing and the limited volume of shares to be issued (10% of the existing capital stock). In view of the liquid stock exchange trading, the shareholders in principle have the possibility of maintaining their relative shareholding in the Company by means of an additional purchase via the stock exchange at comparable conditions. Based on the above considerations, the exclusion of subscription rights was therefore objectively justified in the view of the Management Board.

Provided that the convertible bonds have not matured prematurely, been repurchased or retired, the holders have the right to convert them into ordinary shares of the Company within the conversion period. Repayment will otherwise be made at final maturity, i.e. on February 15, 2027.

ADDITIONAL INFORMATION AND NOTICES

The Management Board decided, with the consent of the Supervisory Board, on the basis of section 1 COVMG to hold the 2022 Annual Shareholders' Meeting as a virtual Shareholders' Meeting without the physical presence of the shareholders and their proxies. It will thus not be possible for the shareholders or their proxies (with the exception of the Company's proxies) to physically attend the meeting.

Any mention of the time of day in the section entitled "Additional Information and Notices" refers to Central European Summer Time (CEST). These references to time correspond to Universal Coordinated Time (UTC) minus two hours (UTC = CEST – 2h).

Online broadcast of the Shareholders' Meeting

The entire meeting on the date of the Shareholders' Meeting will be broadcast in image and sound from 10.00 am (CEST) for the shareholders via the shareholder portal at www.softwareag.com/hauptversammlung, which they can access using their access data sent to them with the invitation letter. Proxies will have the same opportunity upon entering the received access data.

The opening of the virtual Shareholders' Meeting by the meeting's chairperson and the speech by the Management Board will be broadcast to everyone at www.softwareag.com/hauptversammlung beginning at 10.00 am (CEST) on the day of the Shareholders' Meeting.

Any shareholders and their proxies, who have duly registered for the virtual Shareholders' Meeting, will have the right in the virtual Shareholders' Meeting to cast their votes in writing or by means of electronic communication (postal vote) or by authorizing the Company proxies or other proxies. The shareholders will be afforded an opportunity to pose questions via electronic communication (shareholder portal). Shareholders may also lodge objections against any shareholder resolutions by way of electronic communication (shareholder portal). Details are explained below.

Requirements for exercising the voting rights

Only shareholders - whether in person – or through a proxy– - who are entered in the share register and who register with the Company by no later than midnight (24.00 (CEST)) on May 10, 2022 (Registration Deadline) will be entitled to exercise their right to vote. If an intermediary (particularly a credit institution) is entered in the share register, then such intermediary may exercise the right to vote on shares, which it does not own, only on the basis of a shareholder proxy.

The registration can be carried out via the shareholder portal on the Company's website at www.softwareag.com/hauptversammlung. The access data that are required for registration will be sent to the shareholders along with the meeting invitation. Additional information regarding the registration process can be found both on the registration form that is sent with the meeting invitation and online in the shareholder portal.

If the shareholder portal is not used for registration, then the registration must instead be made in "text form" (as defined under section 126b of the German Civil Code ("BGB")) in either the German or the English language, and it must be received by the Company at the address below no later than 12 midnight (24.00 (CEST)) on the Registration Deadline:

Software AG
c/o Computershare Operations Center
80249 Munich

or via Email: anmeldestelle@computershare.de

For purposes of determining the right to vote, the status of the share register on the date of the Annual Shareholders' Meeting is decisive. Any applications to amend the share register, which the Company receives after the expiration of the Registration Deadline and up to and including the date of the Annual Shareholders' Meeting (i.e. from May 11 to May 17, 2022), will not be validly processed until after the Shareholders' Meeting ("moratorium on share register amendments"). Thus, the share register entry status on the date of the Annual Shareholders' Meeting will match the share register entry status on 10 May 2022 at midnight ("Technical Record Date"). The registration of the Annual Shareholders' Meeting and the moratorium on share register amendments do not prohibit shares from being sold.

Voting

Shareholders who have been duly registered may cast their votes by absentee ballot (also using electronic communication). The voting will take place either electronically in the shareholder portal at www.softwareag.com/hauptversammlung or on the registration form that is enclosed with the invitation to the virtual Shareholders' Meeting and must be returned to the address provided above for the registration. To cast their votes electronically, the shareholders must use their access data, which are sent to the shareholders together with the meeting invitation. To cast their votes electronically in the shareholder portal at www.softwareag.com/hauptversammlung, the proxies must use the access data received.

The votes, which are cast by the duly registered shareholders and their proxies using the registration form enclosed with the letter of invitation to the virtual Annual Shareholders' Meeting and to be returned to the address stated above for registration, must be received by the Company at the address, which is provided above for the registration, on or before midnight (24.00 (CEST)) on Tuesday May 16, 2022.

Until the voting in the virtual Shareholders' Meeting has ended, votes by absentee ballot may be electronically cast in the shareholder portal at www.softwareag.com/hauptversammlung. Until that point in time, the votes by absentee ballot may still be changed or revoked in the shareholder portal at www.softwareag.com/hauptversammlung. The foregoing also applies to votes by absentee ballot that are cast with the registration form (as indicated above).

Proxies

A voting right may be exercised by an agent (a so-called "proxy). The requirement of the proper registration (see above) remains unaffected thereby. If the shareholder authorizes more than one person, then the Company may reject one or more of these persons.

The grant of power of attorney, its revocation and the evidence of proxy authority must be provided to the Company in text form as defined by German law (section 126b of the German Civil Code ("BGB")). With respect to granting powers of attorney to intermediaries or other persons or institutions deemed comparable thereto within the meaning of section 135 AktG and the revocation of such powers, as well as the corresponding proof owed to the Company, the applicable statutory provisions, particularly section 135 AktG, shall apply together with any special rules that might be established by the person to whom the shareholder wishes to grant the power of attorney. With respect to any such requirement, we would ask our shareholders to coordinate with their respective proxies.

The evidence of a granted proxy authorization may also be provided by having the proxy send such evidence via mail or via email to the following address ("Proxy Recording Address"):

Software AG
c/o Computershare Operations Center
80249 Munich

Email: anmeldestelle@computershare.de

As an alternative, there is a possibility for providing evidence electronically through the shareholder portal at www.softwareag.com/hauptversammlung. In advance of the Shareholders' Meeting, evidence of a duly granted proxy may be provided via all of the aforementioned means of communication up until midnight (24.00 (CEST)) on 16 May 2022. The option of providing evidence *via* the shareholder portal at www.softwareag.com/hauptversammlung will continue to exist even after that point in time until voting has ended in the virtual Shareholders' Meeting. Until the end of voting in the virtual Shareholders' Meeting, any previously granted proxies may still be changed or revoked in this manner.

The foregoing methods of transmission will be also available in the event that the shareholder seeks to grant the proxy through a statement directed to the Company itself. In that case, a separate proof evidencing the grant of the proxy will be superfluous. A previously granted proxy may also be changed or revoked through a statement made directly to the Company using the aforementioned methods of transmission.

Shareholders, who would like to authorize a proxy, are requested to use the proxy form that the Company has made available for this purpose. It will be provided with the application form.

Proxies may also only exercise voting rights at the Shareholders' Meeting by absentee ballot (also by means of electronic communication) or by granting (sub-)proxies, in particular to the proxies appointed by the Company. In order for a proxy to be able to follow the virtual

Shareholders' Meeting via the shareholder portal and to cast an electronic absentee ballot or grant a (sub-)proxy electronically via the shareholder portal, such proxy requires its access data for the shareholder portal. If the proxy is granted at the same time as the registration for the virtual Shareholders' Meeting or if the proxy is granted via the shareholder portal, then the access data will be sent directly to the proxy.

The Company also offers its shareholders an opportunity to authorize agents (proxies), who are appointed by the Company and are bound by the instructions given to them, to represent shareholders when votes are taken. In this case, as well, proper registration (see above) is required. The proxies appointed by the Company must be issued clear and unequivocal instructions on exercising the voting rights. The proxies appointed by the Company are obligated to vote in compliance with the instructions issued. If an individual vote is carried out on an item on the agenda without this having been communicated in advance of the virtual general meeting, an instruction on this item on the agenda as a whole also applies as a corresponding instruction for each item in the individual vote. If there are no clear instructions about how to vote on a specific agenda item, then the proxies appointed by the Company will not be entitled to vote on such matter and must abstain in the event of a vote. The Company advises its shareholders that the proxies appointed by the Company cannot accept any orders to submit objections to resolutions of the Shareholders' Meeting or to pose questions or make motions.

In advance of the Shareholders' Meeting, any powers of attorney and instructions to the proxies appointed by the Company may be changed or revoked on or before midnight (24.00 (CEST)) on May 16, 2022 in declarative text form ("*Textform*" as defined in section 126b BGB) sent by post or by email to the aforementioned address. In each case, the Company's receipt thereof shall be decisive. As an alternative, the proxy may be sent electronically via the shareholder portal at www.softwareag.com/hauptversammlung. The option of forwarding the proxy electronically via the shareholder portal at www.softwareag.com/hauptversammlung will exist until the voting at the virtual Shareholders' Meeting has ended. Any proxies and instructions previously issued may also be changed or revoked in this manner up until that point in time.

Proxy forms for granting powers of attorney and issuing voting instructions to the Company-appointed proxy are included with the registration form.

Electronic confirmation of voting where the electronic absentee ballot is used

Shareholders or their proxies who cast their votes via electronic absentee ballot will receive electronic confirmation from the Company about the electronic exercise of their voting rights in accordance with the requirements of section 118 (1) sentence 3 to 5 AktG in conjunction with Art. 7 (1), Article 9 (5) No. 1 of the Commission Implementing Regulation (EU) 2018/1212. This confirmation will be provided immediately to the shareholder or, where a proxy has been authorized to vote, to such proxy, after the electronic absentee ballot is submitted to the Company's shareholder portal.

If the vote is not cast by the shareholder himself or herself, but rather by an intermediary within the meaning of section 67 (4) AktG via electronic postal vote, then the intermediary must without undue delay forward the electronic confirmation on the electronic exercise of voting rights under section 118 (1) Sentence 4 AktG to the shareholder.

The Company reserves the right to engage and rely on a third party to forward the electronic confirmation of voting.

Evidence of vote counting (vote tallying)

Pursuant to section 129 (5) Sentence 1 AktG, shareholders or their proxies may, within one month of the Annual Shareholders' Meeting, i.e. by midnight (24.00 (CEST)) on Friday June 17, 2022, request confirmation of whether and how the votes cast were tallied. This confirmation may be downloaded from the shareholder portal (using the access data) until Friday June 17, 2022 at midnight (24.00 CEST).

If the votes are not cast by the shareholder himself or herself, but rather by an intermediary within the meaning of section 67 para. 4 AktG and where that intermediary downloads the above-referenced confirmation from the shareholder portal, then the intermediary must without undue delay forward to the shareholder this confirmation on the tallying of the votes cast pursuant to section 129 para. 5 s. 3 AktG.

Further information on the exercise of voting rights

Should voting rights be exercised by the deadline in multiple ways (letter, email, electronically via the shareholder portal or pursuant to section 67c (1) and (2) sentence 3 AktG in connection with Article 2 (1) and (3) and Article 9 (4) of the Commission Implementing Regulation ((EU) 2018/1212)) by postal votes and/or proxy and where applicable instructions are provided, these will be taken into consideration in the following order regardless of the point in time at which they are received: 1. Electronically via the shareholder portal, 2. Pursuant to section 67c (1) and (2) sentence 3 AktG in connection with Article 2 (1) and (3) and Article 9 (4) of the Commission Implementing Regulation ((EU) 2018/1212)), 3. By email and 4. By letter.

Should declarations with more than one form of exercising voting rights be received in the same way, the following applies: Postal votes take priority over the granting of proxy and, where applicable, instructions to the proxies appointed by the Company.

Should an intermediary, an organization of shareholders, a voting rights advisor pursuant to section 134a AktG or an equivalent person pursuant to section 135 (8) AktG not be prepared to represent someone, the proxies appointed by the Company will be authorized to represent the person according to the instructions.

The most recently received withdrawal of a declaration shall be authoritative provided it is received by the deadline.

The casting of votes by postal vote and/or proxies and, where applicable, instructions on agenda item 2 (use of the balance sheet profit) retain their validity, including in the case of an amendment of the proposed appropriation of profits is adjusted due to a change in the number of shares entitled to dividends.

If an individual vote is taken on an agenda item instead of a group vote, the postal vote provided or instruction issued for this agenda item applies accordingly for each point of the individual vote.

Rights of the shareholders

1. Supplement to the agenda pursuant to section 122 (2) AktG

Any motions to supplement the agenda pursuant to section 122 (2) AktG must be received by the Company on or before midnight (24.00 (CEST)) on April 16, 2022. The address and the facsimile number (collectively referred to as "Shareholder Motion Address") for submitting motions to supplement are:

Software AG
FAO Management Board
Uhlandstrasse 12
64297 Darmstadt

More extensive explanations regarding the motions to supplement the agenda pursuant to section 122 (2) AktG and their preconditions will be available on the Company's website at www.softwareag.com/hauptversammlung.

2. Shareholder motions pursuant to section 126 (1) AktG

Any shareholder countermotions regarding any item on the agenda within the meaning of section 126 (1) AktG which the Company receives in text form at the above-referenced Shareholder Motion Address or by email to www.softwareag.com/hauptversammlung on or before midnight (24.00 (CEST)) on May 2, 2022, will be made available without undue delay to the shareholders on the Company's website at www.softwareag.com/hauptversammlung

Pursuant to section 1 (2) sentence 3 COVMG any shareholder motions, which must be made accessible pursuant to section 126 AktG, shall be deemed to have been made in the meeting if the shareholder making the motion has duly identified himself or herself and is registered for the Shareholders' Meeting.

More extensive explanations regarding the countermotions pursuant to section 126 (1) AktG and their preconditions and regarding reasons which, under section 126 (2) AktG, would not necessitate the publication of the countermotion on the Internet, will be available on the Company's website at www.softwareag.com/hauptversammlung.

3. Shareholder nominations pursuant to section 127 AktG

Any shareholder nominations pursuant to section 127 AktG, which the Company receives in text form (as defined by German law under section 126b BGB) at the above-referenced Shareholder Motion Address or by email to www.softwareag.com/hauptversammlung on or before midnight

(24.00 (CEST)) on May 2, 2022, will be made available without undue delay to shareholders on the Company's website at www.softwareag.com/hauptversammlung.

Pursuant to section 1 (2) sentence 3 COVMG, any shareholder nominations, which must be accessible under section 127 AktG, shall be deemed to have been made in the meeting if the shareholder making the motion has duly identified himself or herself and is registered for the Shareholders' Meeting.

More extensive explanations regarding the nominations pursuant to section 127 AktG and their preconditions and regarding reasons which, under section 127 sentence 1 AktG in connection with section 126 (2) AktG, would not necessitate the publication of a nomination and the reasons behind the nominations on the Internet, will be available on the Company's website at www.softwareag.com/hauptversammlung.

4. Shareholder rights to pose questions

Duly registered shareholders and their proxies (except for the proxy appointed by the Company) have an opportunity to pose questions by way of electronic communication pursuant to section 1 (2) sentence 1 No. 3 COVMG. Questions may be submitted on or before midnight (24.00 (CEST)) on May 15, 2022 exclusively via electronic means through the shareholder portal at www.softwareag.com/hauptversammlung.

Duly registered shareholders may use their access data, which were sent to them with their meeting invitation, to submit questions electronically *via* the shareholder portal. Proxies of duly registered shareholders shall also use the received access data to submit questions via the shareholder portal on www.softwareag.com/hauptversammlung.

Under section 1 (2) sentence 2 COVMG the Management Board shall decide in its own due discretion how it will answer questions. In doing so, it can, in particular, summarize questions.

5. Opportunity to object to resolutions adopted at the virtual Shareholders' Meeting pursuant to section 1 (2) sentence 1 No. 4 COVMG

Without being physically present at the Shareholder's Meeting and in deviation of section 245 (1) AktG, the duly registered shareholders, who have cast their vote through absentee ballots or through proxies, may pursuant to section 1 (2) sentence 1 No. 4 COVMG , using their access data – either in person or through proxies – lodge objections (for entry in the meeting minutes) during the virtual Shareholders' Meeting via the shareholder portal at www.softwareag.com/hauptversammlung to resolutions that are adopted at the virtual Shareholders' Meeting.

Websites on which information required under section 124a AktG is available:

This official notice of the Shareholders' Meeting, the documentation required to be made available, shareholder motions and nominations as well as other information are also available for review on the Company's website at www.softwareag.com/hauptversammlung. These materials will also be available online during the Shareholders' Meeting on May 17, 2022.

Supplemental information disclosure pursuant to section 49 para. 1 s. 1 no. 1 of the Securities Trading Act (WpHG)

At the time that the Notice of the Annual Shareholders' Meeting is officially published, the Company's registered share capital equals EUR 74,000,000 and is divided into 74,000,000 no-par value shares. Unless, in any given case, the statutory grounds for suspending a voting right exist, each no-par value share will have one vote at the Annual Shareholders' Meeting. The total number of voting rights therefore equals 74,000,000. As of the Reference Date (March 18, 2022), the Company holds 20,111 of its own shares (treasury shares) within the meaning of sections 71 et seq. AktG, which shares do not entail any rights for the Company (as prescribed in section 71b AktG), including voting rights; the Company is also not aware of any reasons for suspending voting rights. After deducting the Company's treasury shares, the number of voting shares is therefore 73,979,889, based on the information available as of the Reference Date of March 18, 2022.

Information on data protection

1) General information

In connection with the preparation, implementation and follow-up work related to Software AG's Shareholders' Meeting as a virtual event (without the physical presence of the shareholders and their proxies), Software AG is providing the following information about the collection and processing of personal data and any rights related thereto in accordance with Regulation (EU) 2016/679 (General Data Protection Regulation, abbreviated as "GDPR"), the German Federal Data Protection Act (abbreviated in German as "BDSG"), the German Stock Corporation Act (abbreviated in German as "AktG") and the COVMG.
The shareholder portal can be found via the website of the company. In addition to the information contained herein, the data protection disclosures that are posted in the shareholder portal by its host must be observed.

For purposes of the data processing, Software AG is considered the "controller" as defined in Art. 4 para. (7) of the GDPR.

The data protection officer of Software AG can be reached as follows: Data Protection Officer (*Datenschutzbeauftragter*), Uhlandstraße 12, D-64297 Darmstadt, Email: dataprotection@softwareag.com.

2) Personal data affected

Software AG processes the following personal data of the participating shareholders and their proxies:

- first name and last name
- address
- telephone number
- email address
- number of shares; class of shares and form of holding
- access data for entry into the shareholder portal
- grant of any voting powers of attorney to proxies

3) Purpose and legal basis for processing

The legal basis for the processing can be found in provisions of corporate, regulatory, tax and commercial law including the relevant rules under the COVMG, in each case in connection with Article 6 (1) sentence 1 c) of the General Data Protection Regulation (GDPR).

Software AG processes the personal data for the following purposes:

- for participating in, preparing for, and implementing the Shareholders' Meeting
- for satisfying the requirements under the applicable stock corporation laws
- for facilitating the exercise of shareholder rights
- for communicating with shareholders and proxies who are admitted to the Shareholders' Meeting
- for preventing and exposing illegal activities

4) Additional recipients of the personal data

In order to organize its Shareholders' Meeting, Software AG engages various service providers. The personal data that the Company provides to these service providers are limited to solely to the data necessary to perform the commissioned services. The service providers are obligated to process such data solely at the direction of Software AG in accordance with a processor contract pursuant to Art. 28 GDPR.

5) Duration of data retention

To the extent that data are required solely to hold and conduct the Shareholders' Meeting, the data will be erased no later than three years following the Shareholders' Meeting, unless there are overriding statutory obligations to retain the data or the data are required for public proceedings such as ongoing judicial or administrative procedures. In that case, the data erasure will take place after the relevant time periods have expired or the relevant proceedings have ended. With respect to data that are not required to hold and conduct the Shareholders' Meeting such as data stored in the stock register, the data erasure will take place in accordance with the rules that were communicated in connection with processing these data.

6) Rights of data subjects under the GDPR

Shareholders may at any time and free of charge informally contact the Software AG Data Protection Officer to exercise their rights as follows:

- to demand in accordance with Art. 15 of the GDPR information about their personal data being processed by Software AG
- to demand without undue delay and in accordance with Art. 16 of the GDPR the rectification or completion of their personal data that are stored at Software AG but are inaccurate or incomplete
- to demand in accordance with Art. 17 of the GDPR the erasure of personal data stored at Software AG, unless the processing is necessary for exercising the right to freely express an opinion and information, for complying with a legal obligation, for reasons of public interest or for enforcing, exercising or defending legal claims;
- to demand in accordance with Art. 18 of the GDPR the restriction of the processing of their personal data if they can contest the accuracy of the data;
- to receive in accordance with Art. 20 of the GDPR their personal data, which had been made available to Software AG, in a structured, commonly used and machine-readable format or to demand that this data be transmitted to another controller;
- to withdraw their previously granted consent to Software AG at any time and in accordance with Art. 7 para. 3 of the GDPR. The consequence of that withdrawal is that Software AG will no longer be able in the future to process any data that had been based on such consent, and
- to lodge a complaint with the supervisory authority in accordance with Art. 77 of the GDPR. See para. no. 7) immediately below for more details.

7) Right to complain

Shareholders also have a right under Art. 77 of the GDPR to lodge a complaint with the data protection supervisory authorities.
The supervisory authority responsible for Software AG is:

Der Hessische Beauftragte für Datenschutz und Informationsfreiheit
(The Hessen State Agency for Data Protection and Freedom of Information)
Postfach (PO Box) 3163
65021 Wiesbaden
Telephone: +49 611 1408 - 0

Darmstadt, in March 2022

Software AG

The Management Board