

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. 2023 Annual Shareholders’ Meeting of Software Aktiengesellschaft
Unique identifier: 13af1d0b07b9ed118142005056888925
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, 2023
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: Annual Shareholders’ Meeting
4. Location of the Shareholders’ Meeting: darmstadtiun Wissenschafts- und Kongresszentrum, Schlossgraben 1, 64283 Darmstadt
5. Technical Record Date: May 10, 2023, 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, 2023 up to and including May 17, 2023 will not be validly processed until after the Annual Shareholders’ Meeting on May 17, 2023. The so-called ‘Technical Record Date’ is thus the end of the day (midnight) on May 10, 2023.
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

on Wednesday May 17, 2023 at 10.00 am CEST

at darmstadtium Wissenschafts- und Kongresszentrum, Schlossgraben 1, 64283 Darmstadt

More specific information about the rights of shareholders and their proxies is set forth below under Additional Information and Notices.

All shareholders of the Company and interested members of the public will be able to follow the opening of the Annual Shareholders' Meeting by the Chair of the Meeting and the speech of the Chairman of the Management Board at the Annual Shareholders' Meeting on Wednesday, May 17, 2023, from 10:00 a.m. (CEST) live on the internet at www.softwareag.com/hauptversammlung. There will be no further audio or video transmission of the Annual Shareholders' Meeting.

Agenda

- 1. Submission of the approved annual financial statements of Software AG per December 31, 2022 and the approved consolidated financial statements per December 31, 2022 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 2022.**

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 2022 in the amount of EUR 48,760,267.58 as follows:

Payment of a dividend to the shareholders in the amount of EUR 0.05 per registered share on the registered share capital entitled to dividends for 73,979,889 dividend-entitled shares

Distribution to shareholders of	EUR 3,698,994.15
Profit carried forward	EUR 45,061,273.13
<hr/>	
Non-appropriated balance sheet profits per December 31, 2022	EUR 48,760,267.58

The recommendation on the use of non-appropriated balance sheet profits takes account of the treasury shares, which are held by the Company on the reference date April 3, 2023.

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 2022

The Management Board and the Supervisory Board recommend ratifying the actions taken by the 2022 members of the Management Board for fiscal year 2022.

4. Resolution on ratifying the actions of the Supervisory Board members for fiscal year 2022

The Management Board and the Supervisory Board recommend ratifying the actions taken by the 2022 members of the Supervisory Board for fiscal year 2022.

5. Appointment of the annual financial statements auditor for fiscal year 2023

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 2023 and
- b) to serve as the auditor for any formal review (*prüferische Durchsicht*) of the half-year financial report for fiscal year 2023.

6. Resolution on the remuneration report

Pursuant to section 162 AktG, the Management Board and the Supervisory Board of a listed stock corporation must prepare an annual remuneration report on the remuneration of the Management Board and Supervisory Board members.

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

Pursuant to section 120a (4) sentence 1 AktG, the Annual Shareholders' Meeting must resolve on the approval of the remuneration report for the previous fiscal year, which has been prepared and audited in accordance with section 162 AktG.

The Management Board and the Supervisory Board recommend approving the remuneration report for fiscal year 2022, 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 as 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 section 120a para. 1 AktG the Shareholders' Meeting of any 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 Shareholders' Meeting last approved the remuneration system presented by the Supervisory Board at the Annual Shareholders' Meeting on May 17, 2022.

The Supervisory Board proposes to reconfirm the approval of the current remuneration system of the Management Board with some limited adjustments which the Supervisory Board has come to the conclusion are required to reflect on certain geographical and special requirements for specific Management Board positions to ensure the Company's competitiveness to attract key talent required for the execution of its strategic growth plans. These adjustments refer to (1) the maximum remuneration cap with regard to a US-based Chief Revenue Officer (CRO) position, (2) the weight of the variable remuneration components, (3) the application of the pension scheme for Management Board members with residence outside Germany, and (4) the relevant performance target under the Long-Term Incentive Plan (LIP). The respective adjustments are outlined in detail in the relevant passages of the remuneration system – an overview of the adjustments can be found below:

Previous system	Changes
<p>Maximum remuneration for each of the Management Board Members (except the CEO) is set at EUR 2,900,000</p>	<p>For the Chief Revenue Officer (CRO) position, a maximum remuneration cap of EUR 4,000,000 applies if the CRO is U.S. resident</p>
<p>For ordinary Management Board Members, the proportion of the fixed remuneration (fixed annual salary, pension expenses and fringe benefits) is between approximately 38% and approximately 40%, and the proportion of the variable remuneration is between approximately 60% and approximately 62% of the total target remuneration. With regard to the variable remuneration components, the proportion of the STI (target amount) is between approximately 16% and approximately 20% of the total target remuneration, and the proportion of the LTI (target amount) is between approximately 42% and approximately 44% of the total target remuneration.</p>	<p>For U.S.-based ordinary Management Board Members, a higher ratio of variable remuneration components is permissible between approximately 60% and approximately 68% of the total target remuneration. With regard to the variable remuneration components, the proportion of the STI (target amount) is between approximately 16% and approximately 32% of the total target remuneration, and the proportion of the LTI (target amount) is between approximately 33% and approximately 44% of the total target remuneration.</p>
<p>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.</p>	<p>For U.S.-based ordinary Management Board Members, the proportion of the STI (target amount) is between approximately 43% and approximately 47% of the variable remuneration, the proportion of the LTI (target amount) is between approximately 53% and approximately 57% of the variable remuneration.</p>
	<p>For Management Board Members, whose total</p>

target remuneration is less than EUR 1,000,000

the amount of the fixed remuneration may be set at up to 53% of the total target remuneration, with the amount of STI (target amount) being set at up to 39% of the total target remuneration. As required, the ratio of the LTI (target amount) shall be adjusted accordingly in this case.

Management Board members with residence 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.

Deletion of the restriction linking the annual cash payment to residence in Germany, so that each Management Board Member receives the respective annual cash payment irrespective of their respective residence.

The performance factor relevant for Part 1 of the LTI is determined on the basis of the relative outperformance of the Software AG share price against the MDAX index during the four-year term. 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 relevant for Part 1 of the LTI shall be replaced by a performance factor determined on the basis of the relative performance of a share reference price against **specific share price targets** of Software AG. To determine the achievement factor, linear interpolation is used between minimum, target and maximum achievement values for the share reference price.

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 March 17, 2023:

a) Basic features of the Remuneration System

The Management Board remuneration system (hereinafter the "**Remuneration System**") has been designed to be simple, comprehensive, and clear. It complies with the requirements of the German Stock Corporation Act (AktG) as amended from time to time.

The Remuneration System applies to existing agreements as well as to agreed or potential contract extensions and to new management board service contracts to be concluded with Management Board members beginning March 17, 2023.

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 (CEO) is set at EUR 5,900,000. The Maximum Remuneration for the Chief Revenue Officer (CRO) with

residence in the United States is set at EUR 4,000,000. The Maximum Remuneration for all other Management Board Members is set at EUR 2,900,000.

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 are limited as well.

(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.

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 Remuneration System 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 2023 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 2023, 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. For U.S.-based ordinary Management Board Members, a higher ratio of the variable remuneration components is permissible with an expected proportion of the variable remuneration between approximately 60% and approximately 68% of the total target remuneration.

The proportion of the STI (target amount) is between approximately 16% and approximately 20% of the total target remuneration and the proportion of the LTI (target amount) is between approximately 42% and approximately 44% of the total target remuneration. For U.S.-based ordinary Management Board Members, the proportion of the STI (target amount) is between approximately 16% and approximately 32% of the total target remuneration and the proportion of the LTI (target amount) is between approximately 33% and approximately 44% of the total target 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. For U.S.-based ordinary Management Board Members, the proportion of the STI (target amount) is between approximately 43% and approximately 47% of the variable remuneration, the proportion of the LTI (target amount) is between approximately 53% and approximately 57% of the variable remuneration.

For Management Board Members, whose total target remuneration is less than EUR 1,000,000 the amount of the fixed remuneration may be set at up to 53% of the total

target remuneration, with the amount of STI (target amount) being set at up to 39% of the total target remuneration. As required, the ratio of the LTI (target amount) shall be adjusted accordingly in this case.

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 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 2023, 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).

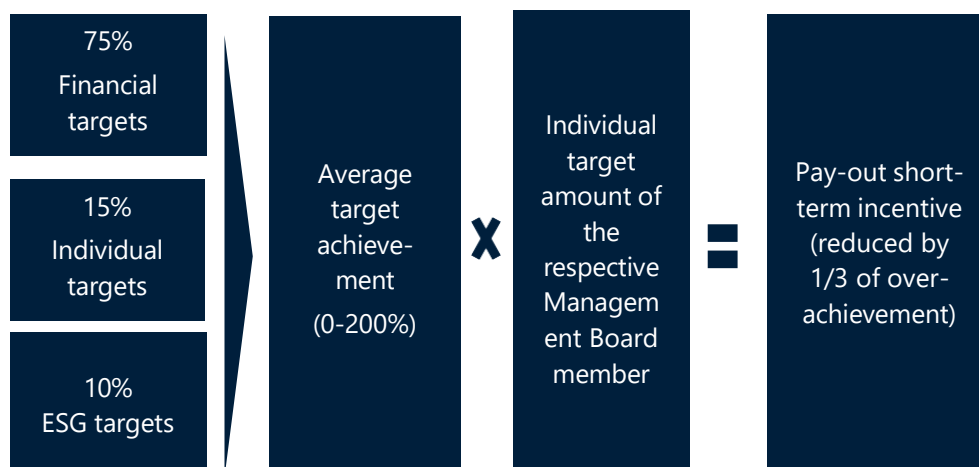


Figure 1

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.

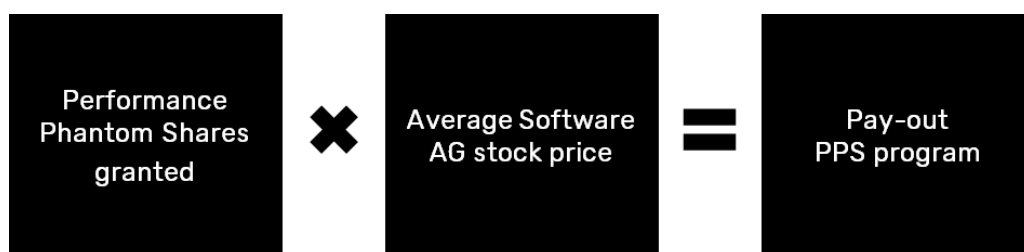


Figure 2

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 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 performance of the Final Share Reference Price against specific share price targets of Software AG. The Final Share Reference Price shall be the Average Stock Price calculated over twenty consecutive trading days at the end of the four-year term. The Average Stock Price is equal to the average of the volume weighted average share prices of Software AG stock at Frankfurt Stock Exchange (Xetra) during the respective period.

The minimum, target and maximum achievement values as the specific share price targets are shown below (see Figure 3). The achievement factor for each target is 0% at minimum achievement, 100% at target achievement and 200% at maximum achievement. Between minimum and target achievement and between target and maximum achievement, linear interpolation is used to determine the achievement factor.

Performance Factor Part 1	0% (Minimum)	100% (Target)	200% (Maximum)
Final Share Reference Price	€ 55.00	€ 75.00	€ 90.00

Figure 3

Dividend payments shall be excluded from the calculation of the performance factor applied to Part 1.

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.

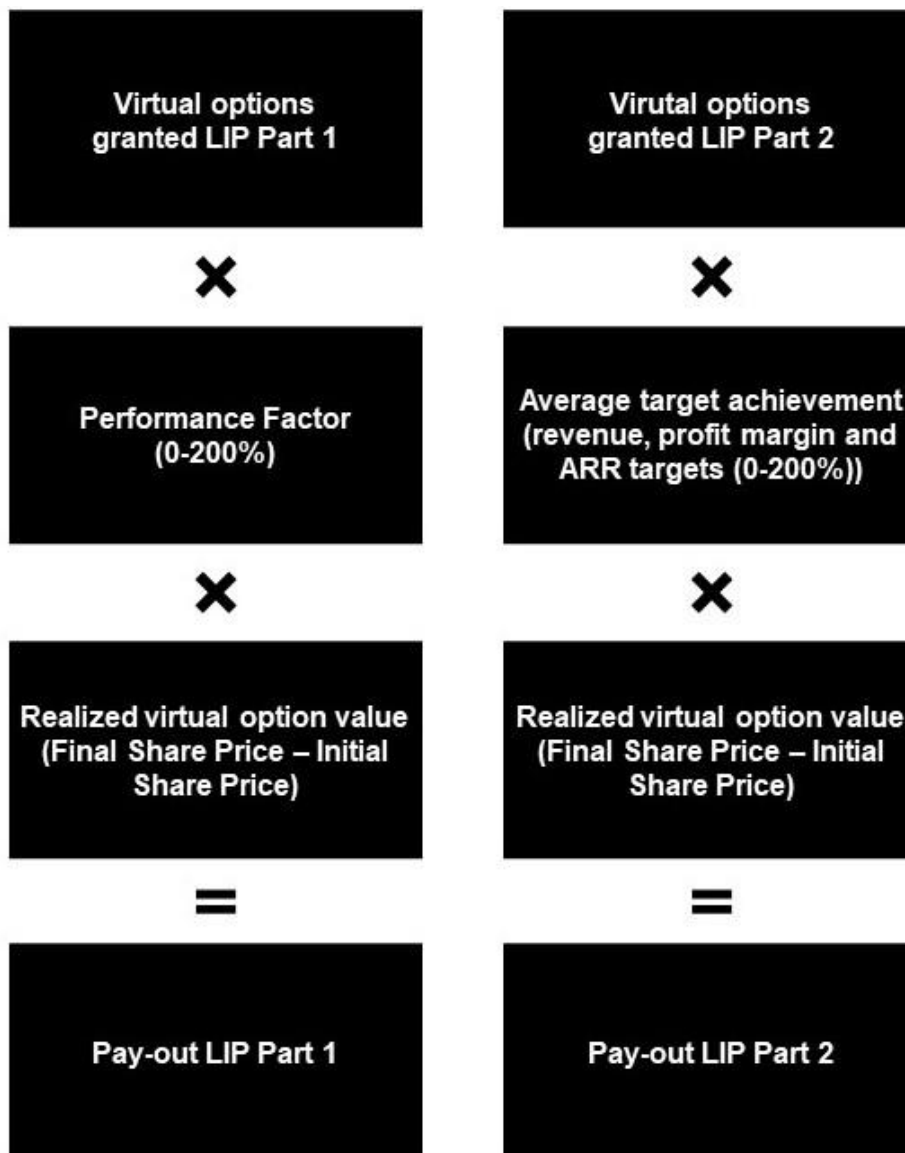


Figure 4

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 cease 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 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 at the end of the four-year build-up phase, and thereafter on an annual basis. If the aggregate value of Software AG stock falls below the amount to be demonstrated in each case, Management Board members are obligated to purchase additional shares.

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

The said 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 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 2023, 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 are the development of the Software AG stock price in the time period between granting and payout (i.e. the relative performance of the Final Share Reference Price against specific share price targets of Software AG), 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 are 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 are the development of the Software AG stock price between granting and payout (i.e. the relative performance of the respective reference price against specific share price targets of the Software AG stock), as well as revenue, profit margin and annual recurring revenue (ARR) until the end of the vesting period. 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 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 the Software AG stock price compared to specific share price targets of Software AG 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 sentence 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.

If a 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 objective 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 expires on July 31, 2026. Dr. Sigg's contract expires on March 31, 2027. Mr. Husk's contract expires on July 31, 2025. Dr. Quade's contract expires on July 31, 2025. Ms. Bünger's contract expires on December 31, 2026. 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 cause (*aus wichtigem Grund*) in accordance with section 84 para. 3 AktG, which is also cause for termination of the Management Board member's contract without notice in accordance with section 626 BGB, the Management Board service contract ends automatically.

ii. Compensation for dismissal / removal

If the Management Board member's service contract is terminated other than for cause, 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 total target remuneration (excluding fringe benefits). Thus, the sum of the above-mentioned severance payment of Software AG consisting of a total target compensation (excluding LIP, company pension plan and fringe benefits) and waiting allowance does not exceed the severance cap of two years' compensation as recommended by the German Corporate Governance Code.

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 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 considered 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 comprehensive Remuneration System. 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 existing agreements as well as to agreed or potential contract extensions and to new management board service contracts to be concluded with Management Board members beginning May 17, 2023.

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 benefit 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 Officer or for other Management Board members.

8. Amendment to the Articles of Association to enable virtual Shareholders' Meetings in the future and to facilitate the participation of Supervisory Board members

8.1 Authorization to hold virtual Shareholders' Meetings

Section 118a AktG, newly introduced by the Act on the Introduction of Virtual Shareholders' Meetings of Stock Corporations and Amendment of Other Provisions of July 20, 2022 (Federal Law Gazette of July 26, 2022, page 1166 et seq.), makes it possible to provide in the Articles of Association for the Shareholders' Meeting to be held without the physical presence of the shareholders or their proxies at the location of the Shareholders' Meeting (so-called virtual Shareholders' Meeting). The Articles of Association may also authorize the Management Board to provide for the holding of a virtual Shareholders' Meeting. A corresponding provision in the Articles of Association must be limited in time, with a maximum period of five years from entry of the corresponding amendment to the Articles of Association in the Company's commercial register.

The Management Board and Supervisory Board are of the opinion that the virtual Annual Shareholders' Meeting format has proven its worth as a further option in the past two years and that the option of holding Shareholders' Meetings virtually should be retained in principle. In this context, the virtual Shareholders' Meeting in the format provided for by the corresponding new provisions in the AktG adequately safeguards the rights of shareholders and, in particular, provides for direct interaction between shareholders and management during the meeting via video communication and electronic communication channels in approximation of the conventional face-to-face Shareholders' Meeting. However, there may be Shareholders' Meetings where interaction in the presence of shareholders and their proxies in person appears more appropriate than virtual interaction. For this reason, the Management Board shall be authorized to decide in advance of each Shareholders' Meetings whether the meeting is to be held as a virtual meeting or as a meeting in person. Against the background that the new virtual format is currently still in a trial phase in the Annual Shareholders' Meeting practice of listed companies, the maximum authorization period of five years is not to be exhausted for the time being. Instead, the authorization of the Management Board to hold virtual Shareholders' Meetings shall be limited initially to the next two years. This will allow shareholders and the Company to gain experience with the new virtual format and, after the initial authorization period has expired, to make an informed decision on whether to retain the option of choosing the virtual format.

The Management Board and the Supervisory Board therefore recommend adopting the following resolution:

The following paragraph 4 is added to Article 16 of the Articles of Association:

"(4) The Management Board shall be authorized for a period of two years after registration of the amendment to the Articles of Association to include this paragraph 4 resolved by the Annual Shareholders' Meeting on May 17, 2023, to provide for the meeting to be held without the physical presence of the shareholders or their proxies at the location of the Shareholders' Meeting (virtual Shareholders' Meeting)."

8.2 Facilitation of participation for Supervisory Board members

In the future, the members of the Supervisory Board - with the exception of the chair of the meeting - shall be permitted to participate in the Shareholders' Meeting by means of video and audio transmission if special circumstances (stay abroad, long journey, other hindrance) prevent the Supervisory Board member concerned from physically participating at the location of the Shareholders' Meeting. If a virtual Shareholders' Meeting is held, the virtual participation of the Supervisory Board members shall be possible without further ado. Pursuant to section 118 (3) sentence 2 AktG (for the virtual Shareholders' Meeting in conjunction with section 118a (2) sentence 2 AktG), a corresponding provision in the Articles of Association is required for this.

The Management Board and the Supervisory Board therefore recommend adopting the following resolution:

The following paragraph 5 is added to Article 16 of the Articles of Association:

- "(5) The members of the Supervisory Board, with the exception of the chair of the meeting, are permitted to participate in the virtual Shareholders' Meeting by means of video and audio transmission. In the case of a Shareholders' Meeting that is not a virtual Shareholders' Meeting, this shall apply accordingly if the Supervisory Board member in question is abroad, the place of residence is at a great distance (at least 300 kilometers) from the place of the meeting or the Supervisory Board member in question is prevented from attending for health or professional reasons."

Reports

Remuneration report on Item 6 of the Agenda

1 Basis of Presentation

The Remuneration Report was prepared in accordance with the provisions of section 162 of the German Stock Corporation Act (AktG). It is also oriented to the current recommendations of the German Corporate Governance Code (GCGC) and to those of the Remuneration Reporting Working Group of the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer in Deutschland e. V., IDW).

The 2021 Remuneration Report was approved under agenda item 6 at the Annual Shareholders' Meeting on May 17, 2022, by 65.71 percent of votes cast in accordance with section 120a(4) of AktG. Feedback and suggestions from shareholders on the Remuneration Report received and requested by the Management Board and Supervisory Board were incorporated into this year's reporting. The Remuneration Report was prepared based on the principles of comprehensibility, structural clarity, and transparency.

2 Management Board Member Remuneration

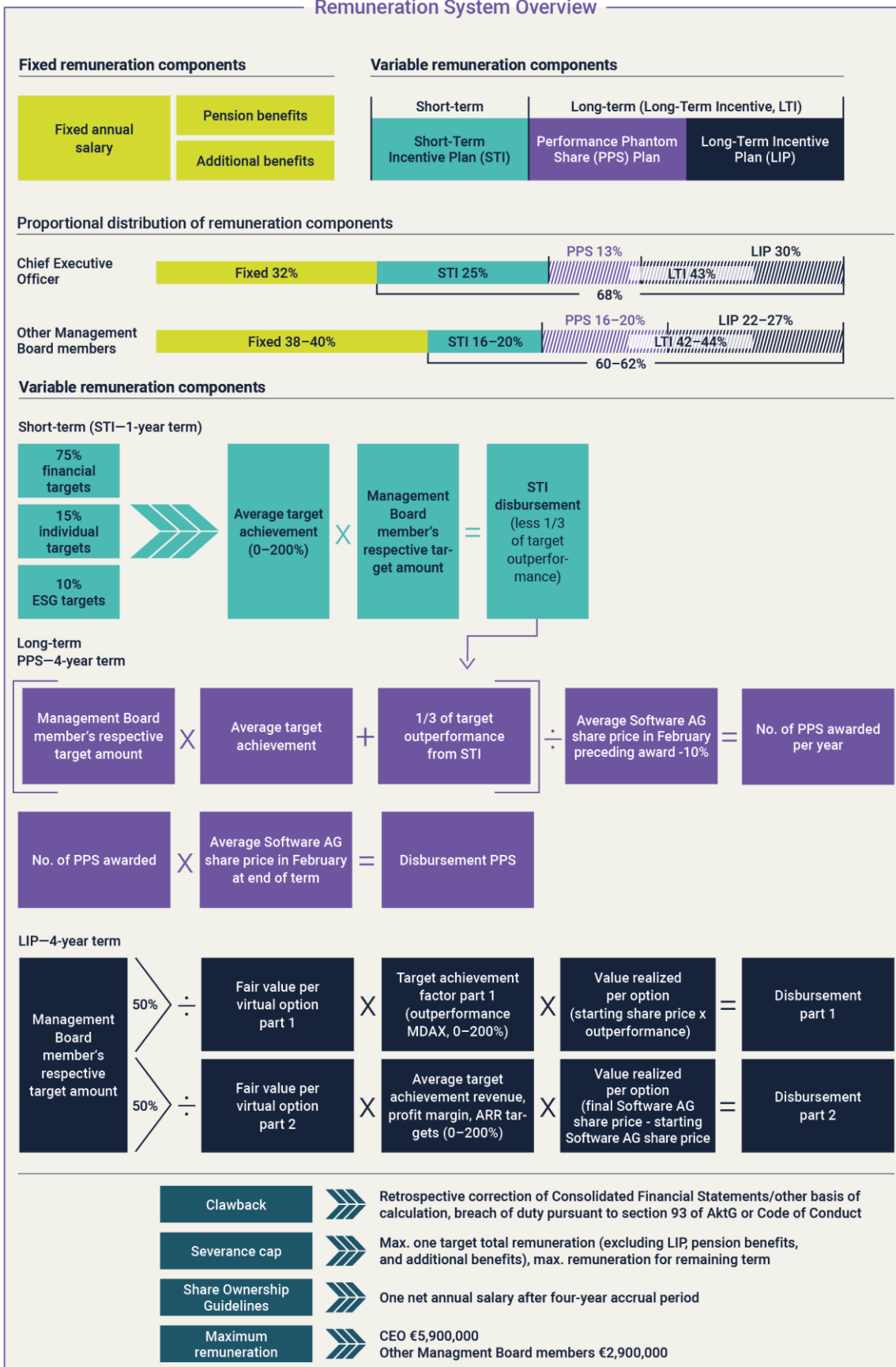
2.1 REMUNERATION SYSTEM

The remuneration system for the members of the Software AG Management Board is designed in a simple, comprehensible, and clear manner and is geared towards promoting sustainable and long-term value creation, implementation of the business strategy, and growth in the business lines. It reflects 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, primarily multi-year terms so as to sustainably support the Company's strategic success. In creating the remuneration system, particular emphasis was given to aligning shareholder interests and expectations with Management Board remuneration.

Excluding the following amendment, the remuneration system has been in effect since the 2021 fiscal year and was approved by a 94.83 percent majority at the Annual Shareholders' Meeting on May 12, 2021, pursuant to section 120a(1) of AktG. Following an in-depth assessment of the remuneration system, Software AG's Personnel Committee and Supervisory Board implemented an amendment effective as of January 1, 2022, regarding the weighting of annual targets within the framework of short-term variable remuneration (short-term incentive). The amendment was approved by an 85.03 percent majority at the Annual Shareholders' Meeting on May 17, 2022, pursuant to section 120a(1) of AktG.

The Management Board remuneration system was reviewed and adopted at the beginning of 2021 by the Supervisory Board in compliance with the legal requirements of sections 87 and 87a of AktG and the recommendations of the GCGC.¹ In this connection, the Supervisory Board engaged an independent external consultant. The Personnel Committee was responsible for preparing the resolution of the Supervisory Board and for regularly providing the Supervisory Board with all information required by the Supervisory Board to carry out a review of the remuneration system. In accordance with legal regulations, the Supervisory Board conducts a review of the remuneration system at its reasonable discretion, but every four years at the latest.

Remuneration System Overview



2.2 INFORMATION ON DEVIATIONS FROM THE MANAGEMENT BOARD REMUNERATION SYSTEM

The current remuneration system applies to any future contract renewals and new employment contracts signed with Management Board members as of January 1, 2021.¹ Accordingly, Dr. Stefan Sigg's (Chief Product Officer, CPO) contract, which was renewed in 2021, and those contracts signed in the year under review with first-time Management Board appointees, Joshua Husk (Chief Revenue Officer, CRO) and Dr. Benno Quade (Chief Operating Officer, COO), generally correspond with the current remuneration system. Specific deviations were established for Joshua Husk; these will be discussed in further detail below.

¹ The weighting of annual targets within the framework of short-term variable remuneration, which went into force following approval by the Annual Shareholders' Meeting on May 17, 2022, is not part of Management Board members' contracts. As such, this amendment became applicable to all Management Board members serving in the fiscal year regardless of any new contracts or contract renewals.

Sanjay Brahmawar (Chief Executive Officer, CEO) is serving under his existing contract and is thus not yet subject to all amended policies of the current remuneration system. However, the Supervisory Board approved a renewal of his contract on October 27, 2022, whereby the contract will become subject to the current remuneration system, effective as of August 1, 2023.

Dr. Elke Frank (Chief Human Resources Officer, CHRO) left the Management Board as of October 31, 2022, Dr. Matthias Heiden (Chief Financial Officer, CFO) as of December 31, 2022. Because both contracts were signed before January 1, 2021, they were not yet subject to the current remuneration system.

Those aspects of remuneration under the old remuneration system applicable to Sanjay Brahmawar, Dr. Elke Frank, and Dr. Matthias Heiden that deviate from the current remuneration system are described separately in [section 2.4](#) where relevant.

The following table shows temporary deviations from some components of the remuneration system that was approved by the Annual Shareholders' Meeting on May 17, 2022, in connection with the first-time appointment of Joshua Husk to the Management Board in the 2022 fiscal year:

Component	Remuneration system	Deviation for Joshua Husk
Maximum remuneration	Maximum remuneration for the members of the Management Board other than the CEO is €2,900,000 each.	Maximum remuneration for Joshua Husk is €4,000,000. The one-time payment (sign-on bonus) described below may increase the maximum remuneration in the year of disbursement by the amount of the sign-on bonus.
Proportional distribution of remuneration components for Management Board members other than the CEO	Fixed remuneration (fixed annual salary, pension benefits, and additional benefits) is between approximately 38 and 40 percent of target total remuneration. Variable remuneration is between approximately 60 and 62 percent of target total remuneration. Of that, the STI (target amount) accounts for between approximately 16 and 20 percent of target total remuneration and LTI (target amount) for between about 42 and 44 percent of target total remuneration.	Joshua Husk's fixed remuneration accounts for approximately 35 percent of his target total remuneration. Joshua Husk's variable remuneration accounts for approximately 65 percent of his target total remuneration. Of that, the STI (target amount) accounts for about 29 percent of target total remuneration and the LTI (target amount) for about 36 percent of target total remuneration.

Component	Remuneration system	Deviation for Joshua Husk
Sign-on bonus	The remuneration system does not provide for sign-on bonuses.	Joshua Husk shall receive a sign-on bonus in the amount of € 538,097, which under certain conditions is subject to repayment in the event of his departure from the Management Board within 14 months from his start date. The one-time sign-on bonus was not factored into the calculation of proportional distribution. It will not be included in the calculation of maximum remuneration in the year of disbursement.
Pension benefits	Management Board members residing in Germany receive an additional annual cash payment to contribute to their private pension planning. This payment is equal to €150,000 for full members of the Management Board.	Despite residing outside of Germany, Joshua Husk shall also receive the cash payment determined for Management Board members other than the CEO of €150,000 to contribute to his private pension planning.

In accordance with section 87a (2) of AktG, the Supervisory Board is entitled to temporarily deviate from the remuneration system if extraordinary circumstances so require for the long-term wellbeing of the Company. The remuneration system cites a corporate or economic crisis as examples of such circumstances. By legal definition, extraordinary circumstances do not only occur in times of crisis, but are also to be assumed when, with relevant likelihood, the deviation is expected to promote sustainable value creation and profitability for the Company.

Because Joshua Husk could not have been acquired in the absence of these deviations and the Supervisory Board is certain that Joshua Husk's appointment to the Management Board is highly likely to have a lasting positive impact on the success of the Company and is in the interest of the Company, the aforementioned deviations were deemed necessary.

The maximum remuneration as well as the remuneration structure (proportional distribution of the remuneration components and no sign-on bonus) stipulated by the remuneration system are inadequate when compared to the remuneration of US-based CROs of global software companies. The US IT sector in particular is a highly competitive market when it comes to talent and thus remuneration, due among other factors to the dominance of hyperscalers. Because 50 percent of Software AG's total addressable market (TAM) is in the USA and the largest share of revenue is generated there, a strong sales presence is essential in this key market. This is mainly necessary in order to strengthen the role of US representation, eliminate time zone differences, language barriers, and travel restrictions, better leverage existing networks in the USA, and further expand market expertise and experience. A period during which Software AG's CRO was not at Management Board level revealed the importance of representing the key values of customer focus and expertise in the Management Board. Consequently, the installation of a member of the Management Board in the USA responsible for Sales is necessary for the long-term wellbeing of the Company as are the resulting temporary deviations from the remuneration system. This change had to occur in a timely manner in order to continue driving the next stage of transformation and long-term strategy implementation.

An in-depth assessment of prospective candidates was conducted as part of the search process. Overall, the key criterion was that the candidate's qualifications and expertise would drive sustainable value creation and profitability in alignment with the Company's interests. The Supervisory Board is certain that due to his strategic expertise as well as his track record in transformation and infrastructure software this applies to the candidate appointed to the Management Board, Joshua Husk.

2.3 REMUNERATION AMOUNTS AND ADHERENCE TO MAXIMUM REMUNERATION

The Supervisory Board determines target total remuneration for each Management Board member. Target total remuneration comprises the sum of all remuneration components relevant to total remuneration. For the variable remuneration components, the respective target amounts correspond to 100 percent of the budgeted values. The Supervisory Board reviews the variable remuneration component targets each fiscal year. Based on past years' results,

the Supervisory Board decides in the context of budget planning for the current year which objectives the Company and the members of the Management Board need to meet.

The total remuneration (sum of all fixed and variable remuneration components as shown in [the graphic on page 248](#)) 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 and for the other members of the Management Board €2,900,000 each.

If total remuneration calculated for one year exceeds the limit, the long-term incentive (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 components already disbursed, at its reasonable discretion. Irrespective of the determined maximum remuneration, the disbursement amounts of individual variable remuneration components are also capped in terms of percentages. Compliance with the specified thresholds for maximum remuneration cannot be reported on conclusively until all components granted for a given fiscal year have been paid out. This means that for fiscal year 2022, this can only be reported in 2026.

Sanjay Brahmawar shall only become subject to the maximum remuneration policy when the current remuneration system becomes applicable to him upon his contract renewal on August 1, 2023. Dr. Matthias Heiden's and Dr. Elke Frank's contracts were also not subject to the maximum remuneration policy. All three contracts are subject to the old remuneration system whereby 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. Furthermore, a different maximum remuneration was contractually agreed on an individual basis with Joshua Husk as described in section 2.2.

2.4 REMUNERATION COMPONENTS

The remuneration system comprises fixed and variable remuneration components (for more information, please refer to [the graphic on page 248](#)). Fixed remuneration consists of a fixed annual salary, pension benefits, and additional benefits. Variable remuneration consists of a short-term component (STI) and two long-term components (LTI). The long-term components are the PPS plan and the LIP.

2.4.1 Fixed remuneration components

2.4.1.1 Fixed annual salary

The Management Board members receive a fixed annual salary. The fixed annual salary is paid in 12 equal 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.

2.4.1.2 Pension benefits

For members of the Management Board residing in Germany, the Remuneration system includes an additional annual cash payment to contribute to their private pension planning. This payment equals €250,000 for the CEO and €150,000 for each of the other members of the Management Board. In accordance with the temporary deviation described above, Joshua Husk shall also receive the cash payment in the amount of €150,000.

The CEO, Sanjay Brahmawar, only becomes subject to the updated policy on pension benefits when the current remuneration system becomes applicable to him upon effectiveness of his contract renewal (as of August 1, 2023). Under the old pension benefit system, which also applied to the contracts of Dr. Elke Frank and Dr. Matthias Heiden, he is subject to a policy providing him with pensions for life after completing his 62nd year of age, regardless of when he joined the Company. The pension entitlement 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. It also includes a survivor annuity of 60 percent of the Management Board member's pension. In the event that Sanjay Brahmawar leaves the Company prior to the age of 62 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 he 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 full pension entitlement is retained.

The change in present value of defined benefit obligations (DBO) and the present value of DBO as of December 31, 2022, as reflected in the Consolidated Financial Statements of Software AG for fiscal year 2022 in accordance with International Financial Reporting Standards (IFRS) are as follows:

in €	Change in DBO in 2022	DBO as of Dec. 31, 2022
Sarjay Brahmawar CEO	-614,852	1,401,131
Dr. Elke Frank CHRO	-490,018	446,386
Dr. Matthias Heiden CFO	-303,403	320,747

2.4.1.3 Additional benefits

Additional benefits consist of the provision of a suitable company car for work and personal use (alternatively, a monthly car allowance) and coverage through a group accident insurance policy. Furthermore, members of the Management Board are insured under Software AG's director and officer insurance policy. The deductible is 10 percent of the loss up to a maximum of one-and-a-half times the fixed annual salary of the Management Board member.

2.4.2 Variable remuneration components

2.4.2.1 Short-Term Incentive Plan

The short-term variable remuneration for members of the Management Board is geared towards financial and non-financial results for the respective fiscal year. In the 2022 fiscal year, 75 percent of short-term remuneration depended on financial Company targets, 15 percent on individual financial or non-financial targets, and 10 percent on environmental, social, and governance (ESG) targets, which can be defined individually or jointly for all Management Board members together. The Short-Term Incentive is only paid if certain thresholds are met or exceeded. The disbursement amount for the Short-Term Incentive is capped at 200 percent of the target amount.

The financial targets for the 2022 fiscal year were those targets communicated to the capital market. The individual targets are different 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, for example, support the achievement of revenue and growth targets, implementation of the business strategy, or 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. The same individual targets may be defined for multiple members of the Management Board.

ESG targets are objectives related to environment, social issues, and corporate governance. The Supervisory Board determines the ESG performance criteria and methods for measuring performance for the respective fiscal year. Possible performance criteria may consist of, for example, ESG ratings, customer satisfaction, employee satisfaction, and occupational safety (health and safety). Overall achievement of ESG performance is calculated as average target achievement across the individual ESG performance criteria.

Target achievement is determined by the Supervisory Board every year prior to disbursement of the STI. Average target achievement is calculated based on achievement of the financial, individual, and ESG targets and on the defined weighting. If total target achievement equals 100 percent, the disbursement amount is equal to the target amount. If total target achievement equals 0 percent, no payment is made (threshold amount). If total target achievement equals 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. One-third of any outperformance exceeding 100 percent will not be paid in cash but invested as PPS and paid out at a later point in time based on future share price performance.

If a contract begins or ends during a given fiscal year, the disbursement amount shall be reduced accordingly on a pro-rated basis.

The Supervisory Board is entitled to temporarily adjust the terms and conditions of the STI appropriately and within reasonable limits in the event of extraordinary events or developments, e.g. the acquisition or disposal of part of the Company. Generally unfavorable market conditions do not fulfill the meaning of extraordinary events or developments. This does apply when amendments to accounting rules applicable to the Company have a material impact on key parameters used for calculating the STI or when a fiscal year has fewer than twelve months (short fiscal year).

The financial targets for all members of the Management Board in 2022, their target achievement, and the applicable performance criteria were as follows:

Financial Company Targets¹

Description of performance criteria	Weighting %	Target achievement 0%	Target achievement 100%	Target achievement 200%	Actual target achievement as %	Actual target achievement weighted at 100% calculated as %
Digital Business Group product bookings	25	2021 +11%	2021 +22.5%	2021 +32%	12.6	3.2
Adabas & Natural Group product bookings	5	2021 -4%	2021 +4%	2021 +10%	200.0	10.0
Group product revenue	25	2021 +6%	2021 +10%	2021 +14%	26.1	6.5
Group EBITA margin (non-IFRS)	20	20%	21%	22%	123.0	24.6
Total	75					44.3

Achievement of Financial Company Targets by Management Board Member

	Remuneration for target achievement of 0% in €	Remuneration for target achievement of 100% in €	Remuneration for target achievement of 200% in € ²	Actual remuneration in €
Sanjay Brahmawar	0	1,166,667	2,361,111	688,722
Dr. Elke Frank	0	319,444	648,148	188,579
Dr. Matthias Heiden	0	508,333	1,027,778	300,086
Joshua Husk	0	426,459	862,684	251,753
Dr. Benno Quade	0	91,146	183,738	53,806
Dr. Stefan Sigg	0	554,167	1,118,056	327,143

The ESG targets for all members of the Management Board in 2022, their target achievement, and the applicable performance criteria were as follows:

ESG Targets

Description of performance criteria	Weighting %	Target achievement 0%	Target achievement 100%	Target achievement 200%	Actual target achievement as %	Actual target achievement weighted at 100% as %
Employee Engagement Score	5	<=3.95	4.14	4.24	170	8.5
Net Promoter Score	5	48	52	56	200	10.0
Total	10					18.5

¹ For a definition of the KPIs, please refer to [Fundamental Aspects of the Group](#) in Software AG's 2022 Combined Management Report.

² The compensation amounts shown in this and subsequent tables in this section include a financial benefit that arises because the rights granted under the PPS plan are subject to a 10 percent discount on the average share price in February. For an explanation of the PPS plan, see [section 2.4.2.2](#).

Achievement of ESG Targets by Management Board Member

	Remuneration for target achievement of 0% in €	Remuneration for target achievement of 100% in €	Remuneration for target achievement of 200% in €	Actual remuneration in €
Sanjay Brahmawar	0	155,556	314,815	287,778
Dr. Elke Frank	0	42,593	86,420	78,796
Dr. Matthias Heiden	0	67,778	137,037	125,389
Joshua Husk	0	56,861	115,025	105,193
Dr. Benno Quade	0	12,153	24,498	22,483
Dr. Stefan Sigg	0	73,889	149,074	136,694

The individual targets in 2022, target achievement, and the applicable performance criteria were as follows:

Individual Targets and Achievement by Management Board Member

	Weighting as %	Topic	Target	Actual target achievement by target as %	Actual total target achievement as %
Sanjay Brahmawar	7.5	StreamSets integration	Realization of target ARR growth ¹	0.0	50.0
		Helix transformation strategy	Adherence to implementation schedule	100.0	
Dr. Elke Frank	7.5	StreamSets integration	Realization of target ARR growth	0.0	25.0
		People & Culture	Achievement degree of defined KPIs on schedule ²	50.0	
Dr. Matthias Heiden	7.5	StreamSets integration	Realization of target ARR growth	0.0	25.0
		Reporting systems	Further development and integration of existing systems for in-depth KPI analysis	50.0	
Joshua Husk	7.5		Increase forecast accuracy and realization of planned Digital Business bookings		66.5
		Sales forecast		133.0	
Dr. Benno Quade	7.5	StreamSets integration	Realization of target ARR growth	0.0	87.5
		Professional Services & Operations	Strengthen ecosystem and process optimization	175.0	
Dr. Stefan Sigg	7.5	StreamSets integration	Realization of target ARR growth	0.0	62.5
		Cloud/SaaS offerings	Support trend toward more SaaS offerings	125.0	

¹ ARR = annual recurring revenue; for a definition, please refer to [Fundamental Aspects of the Group](#) in Software AG's 2022 Combined Management Report.

² KPIs = key performance indicators.

Achievement of Individual Targets by Management Board Member

	Remuneration for target achievement of 0% in €	Remuneration for target achievement of 100% in €	Remuneration for target achievement of 200% in €	Actual remuneration in €
Sanjay Brahmawar	0	233,333	472,222	116,667
Dr. Elke Frank	0	63,889	129,630	15,972
Dr. Matthias Heiden	0	101,667	205,556	25,417
Joshua Husk	0	85,292	172,537	56,719
Dr. Benno Quade	0	18,229	36,748	15,951
Dr. Stefan Sigg	0	110,833	223,611	69,271

Total Target Achievement and Bonuses for 2022

	Remuneration for target achievement of 0% in €	Remuneration for target achievement of 100% in €	Remuneration for target achievement of 200% in €	Actual total target achievement as %	Bonus remuneration amount in €	Of which STI amount in € ¹
Sanjay Brahmawar	0	1,555,556	3,148,148	70.3	1,093,167	702,750
Dr. Elke Frank	0	425,926	864,198	66.5	283,347	221,750
Dr. Matthias Heiden	0	677,778	1,370,370	66.5	450,892	266,100
Joshua Husk	0	568,612	1,150,246	72.8	413,665	255,778
Dr. Benno Quade	0	121,528	244,985	75.9	92,240	39,531
Dr. Stefan Sigg	0	738,889	1,490,741	72.2	533,108	252,525

¹ The remaining bonus remuneration amount is granted in PPS and thus corresponds to the PPS awards for 2022 in section 2.4.2.2.

2.4.2.2 Performance Phantom Share Plan

Management Board members' long-term variable remuneration within the framework of the PPS plan is geared toward sustainable enterprise growth. This entails share-based remuneration which is granted annually to Software AG Management in the form of PPS. Each tranche has a term of four years.

The amount granted under the PPS plan equals the contractual annual individual target amount for the respective Management Board member multiplied by the target achievement of STI targets. On the PPS plan grant date, the amount granted under the PPS plan plus the amount transferred to each Management Board member under the STI is converted into virtual Company shares (PPS) on the basis of Software AG's reference share price and allocated to the respective Management Board member as a computational amount. The reference share price equals the average share price of Software AG's share in the February preceding the award, less 10 percent.

Upon expiration of the four-year term, a cash amount is disbursed based on the average price of Software AG's share in the February at the end of the term. The disbursement amount under the PPS plan is limited to 200 percent of the target amount.

The CEO, Sanjay Brahmawar, only becomes subject to the PPS plan as described when the current remuneration system becomes applicable to him upon his contract renewal (as of August 1, 2023). The previous PPS plan applies to him as well as to Management Board members Dr. Elke Frank and Dr. Matthias Heiden, who left in 2022, with the following deviations:

- The PPS are awarded in three identical tranches with minimum holding periods of one, two, and three years each reaching maturity in March.
- When the minimum holding period has elapsed, plan beneficiaries are entitled to request disbursement (exercise) of matured PPS once per quarter (between the publication date of the financial results and the following fifth trading day).
- If shares are exercised as of the end of the minimum holding period, a cash amount is disbursed based on the average price of Software AG's share in the February prior to the disbursement; if they are exercised at a later point in time, a cash amount is disbursed based on the average price of Software AG's share between the sixth and tenth trading days following the decision to exercise.
- During the entire holding period, plan beneficiaries will receive an amount per PPS equal to the dividend paid to Software AG shareholders per share.
- The disbursement is limited to twice the reference price applicable when the respective PPS tranches are issued; this cap is calculated annually for the balance of PPS awarded to members of the Management Board based on the weighted average of the reference share price.

- 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 no later than the trading day following the release of the preliminary first-quarter figures.

The number of PPS awarded in the past two fiscal years as well as the number held as of December 31, 2022, is shown in the following table:

PPS Awarded in the Fiscal and Previous Year / Total Balance

	Awarded in 2022 no.	Value awarded in 2022 in €	Awarded in 2021 no.	Value awarded in 2021 in €	Total balance as of Dec. 31, 2022 no.	Total balance as of Dec. 31, 2022 in €
Sanjay Brahmawar	19,852	390,417	24,563	816,852	99,518	2,319,927
Dr. Elke Frank	3,132	61,597	5,541	184,274	15,026	349,670
Dr. Matthias Heiden	9,396	184,792	11,967	397,974	26,728	604,573
Joshua Husk	8,028	157,887	0	0	8,028	157,887
Dr. Benno Quade	2,680	52,708	0	0	2,680	52,708
Dr. Stefan Sigg	14,267	280,583	16,094	535,215	57,497	1,327,614
Total	57,355	1,127,985	58,165	1,934,315	209,477	4,812,380

2.4.2.3 Long-Term Incentive Plan

Long-Term Incentive Plan 2021 and 2022

Management Board members' long-term variable remuneration within the framework of the LIP is geared toward sustainable enterprise growth. Starting with the 2021 fiscal year, remuneration under the LIP is granted to Management Board members annually in the form of virtual stock options. Each tranche has a term of four years.

The LIP consists of two equally weighted parts. When the LIP is granted, 50 percent of the annual individual LIP target amount 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.

Disbursement at the end of the four-year term is determined by the number awarded and target achievement factors.

For part 1 of the LIP, the target achievement factor is based on the outperformance of Software AG's share in comparison to the MDAX. 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 and 1 in the case of outperformance between 0 and 2 percent. It reaches a maximum of 2 in the case of outperformance of at least 20 percent. Between those values, the target achievement factor grows by 0.1 per outperformance increase of 2 percentage points. The value per option for part 1 is calculated as the product of outperformance and the starting price of the Software AG share and is multiplied by the target achievement factor to determine the disbursement amount. The disbursement for part 1 of the LIP is limited to 200 percent of the target amount.

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). Every year, the Supervisory Board sets a minimum target achievement (threshold amount), a target amount, and maximum target achievement (maximum amount) for each target for the next four fiscal years. 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. Target achievement is thus limited to 0 to 200 percent per target and in total. 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 calculated as the appreciation of the Software AG share from the beginning to the end of the term of the LIP tranche and is multiplied by the average target achievement to determine the disbursement amount. The disbursement for part 2 of the LIP is limited to 200 percent of the target amount.

Existing rights under Management Incentive Plan 2020

Rights under Management Incentive Plan 2020 (MIP 2020) were allocated to Management Board members in June 2020. Because selected Management Board members currently hold rights under MIP 2020, this plan is presented in the Remuneration Report.

The plan differentiates between three types of value rights (VRs): two types of performance shares (components 1 and 2) and retention shares (component 3). Rights granted under MIP 2020 have a term of three years.

Component 1

The number of VRs granted under component 1 at the end of the three-year term is determined by the target achievement factor. For performance stock appreciation rights (PSARs), the target achievement factor is based on the outperformance of Software AG's share in comparison to the MDAX index. 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 and 1 in the case of outperformance between 0 and 2 percent. It reaches a maximum of 2 in the case of outperformance of at least 20 percent. Between those values, the target achievement factor grows by 0.1 per outperformance increase of 2 percentage points.

The disbursement amount 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 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 share. 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 only disbursed if the average price of the Software AG share is equal to or higher than €32.72 for at least 10 consecutive trading days between May 10, 2022, and May 10, 2023. The disbursement amount for component 2 is limited to 300 percent of the target amount multiplied by 0.3 percent.

The disbursement for component 3 is based exclusively on this final price. It is limited to 300 percent of the target amount multiplied by 0.4 percent.

Existing rights under Management Incentive Plan 2019

Management Incentive Plan 2019 (MIP 2019) was launched in March 2019. The rights under MIP 2019 were allocated to members of the Management Board in June 2019. Because selected Management Board members currently hold rights under MIP 2019, this plan is presented in the Remuneration Report.

MIP 2019 consists of two differently weighted parts. When 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, i.e., to 2023.

Performance stock appreciation rights

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. The outperformance is calculated as the difference between the appreciation of the Software AG share and the appreciation of the Nasdaq 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 and 1 in the case of outperformance between 0 and 2 percent. It reaches a maximum of 2 in the case of outperformance of at least 20 percent. Between those values, the target achievement factor grows by 0.1 per outperformance increase of 2 percentage points.

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

Retention stock appreciation rights

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.

Total balance of rights held under LIP and MIP

The following table shows the number of virtual stock options granted in the fiscal year as well as virtual stock options held by Management Board members under the presented plans as of December 31, 2022 (measured in accordance with IFRS 2), as reflected in the Consolidated Financial Statements of Software AG for fiscal year 2022:

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

	Plan	Performance period in years	Grant date	Number of options granted	Committed value in €	Number of options expired	Number of options as of Dec. 31, 2022	Value of
								options as of Dec. 31, 2022 in €
Sanjay Brahmawar	LIP 2022	3.67	Dec. 1, 2022 ¹	149,247	1,200,000	0	149,247	368,907
	LIP 2021	4.00	May 17, 2021	157,990	1,200,000	0	157,990	330,986
	MIP 2020	3.00	June 10, 2020	109,541	879,464	0	109,541	346,495
	MIP 2019	3.79	June 7, 2019	48,779	1,216,745	0	48,779	468,386
Dr. Elke Frank	LIP 2021	4.00	May 17, 2021	78,995	600,000	50,231	28,764	60,260
	MIP 2020	3.00	June 10, 2020	54,771	439,734	11,104	43,667	138,118
	MIP 2019	3.76	June 7, 2019	10,162	253,482	0	10,162	97,580
Dr. Matthias Heiden	LIP 2022	3.67	Dec. 1, 2022	9,701	78,000	0	9,701	23,979
	LIP 2021	4.00	May 17, 2021	78,995	600,000	46,607	32,388	67,852
	MIP 2020	2.94	July 1, 2020	27,386	219,883	4,108	23,278	73,643
Joshua Husk	LIP 2022	3.67	Dec. 1, 2022	30,281	243,475	0	30,281	74,848
Dr. Benno Quade	LIP 2022	3.67	Dec. 1, 2022	8,291	66,667	0	8,291	20,494
Dr. Stefan Sigg	LIP 2022	3.67	Dec. 1, 2022	74,624	600,000	0	74,624	184,452
	LIP 2021	4.00	May 17, 2021	78,995	600,000	0	78,995	165,493
	MIP 2020	3.00	June 10, 2020	54,771	439,734	0	54,771	173,248
	MIP 2019	3.79	June 7, 2019	24,390	608,384	0	24,390	234,193

¹ The rights granted under LIP 2022 were allocated retroactively effective July 1, 2022, based on valuation parameters as of July 5, 2022.

2.5 OTHER POLICIES

2.5.1 Clawback

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 the variable remuneration was calculated 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.

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.

In fiscal 2022, no variable remuneration components from previous years were reclaimed.

The CEO, Sanjay Brahmawar, only becomes subject to the clawback policy as described when the current remuneration system becomes applicable to him upon his contract renewal (as of August 1, 2023). The contracts of those Management Board members who left in 2022, Dr. Elke Frank and Dr. Matthias Heiden, are not subject to the clawback policy.

2.5.2 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 the equivalent of 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 additional shares to meet the requirement.

The CEO, Sanjay Brahmawar, only becomes subject to the Share Ownership Guidelines when the current remuneration system becomes applicable to him upon his contract renewal (as of August 1, 2023). The Share Ownership Guidelines are not applicable to the contracts of those Management Board members who left in 2022, Dr. Elke Frank and Dr. Matthias Heiden.

2.5.3 Calculation of remuneration for additional activities

If Management Board members are also members of intra-Group Supervisory Boards, the remuneration is offset. If a Management Board member assumes a Supervisory Board seat at a non-Group entity, the Supervisory Board decides based on its best judgment whether and to what extent that remuneration shall be offset. No remuneration for additional activities was offset in the 2022 fiscal year.

2.5.4 Obligations in connection with termination of service

2.5.4.1 Termination through regular expiration of the appointment

No severance or special payments will be provided.

If a Management Board member's 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 shall not be paid.

2.5.4.2 Obligations when a Management Board member leaves

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

Dr. Elke Frank left the Management Board as of October 31, 2022. She received a severance payment in the amount of €1,000,000 in the 2022 fiscal year for the premature termination of her contract. This corresponds to her target total remuneration (excluding LIP, contributions to Company pension plans, and additional benefits). In addition, it was agreed with her that her short-term variable remuneration for 2022 would be disbursed as a cash payment only and not converted to PPS, even in the event of target achievement of more than 100 percent.

Furthermore, Dr. Matthias Heiden, who left the Management Board as of December 31, 2022, shall receive a one-time payment in the amount of €33,333.33 for handover activities carried out in January 2023. This corresponds to one-twelfth of his short-term variable target remuneration. There were no severance payments. For the duration of the agreed post-contractual six-month non-compete period, the Company shall pay non-compete compensation totaling €300,000 (in monthly installments of €50,000), less other earnings. Furthermore, it was agreed with Dr. Matthias Heiden that his short-term variable remuneration for 2022 would be disbursed as a cash payment only and not converted to PPS, even in the event of target achievement of more than 100 percent.

2.5.4.3 Post-contractual non-compete clauses

In the case of agreement on a post-contractual non-compete clause, a severance payment will be offset against the non-compete compensation. Aside from the non-compete clause described in section 2.5.4.2, which was agreed as part of the termination of one Management Board member's contract, four Management Board member contracts currently contain post-contractual non-compete clauses for a period of either 12 months (two contracts: Sanjay Brahmawar and Dr. Stefan Sigg) or 18 months (two contracts: Dr. Benno Quade and Joshua Husk) after termination

of the employment contract. The following conditions apply for the duration of the post-contractual non-compete clause:

- Sanjay Brahmawar shall receive monthly non-compete compensation in the amount of one-twelfth of his target total remuneration (excluding LIP, pension benefits, and additional benefits). Thus, the total severance payment by Software AG as described above—consisting of one target total remuneration (excluding LIP, pension benefits, and additional benefits) and non-compete compensation—does not exceed the severance cap of two years' annual remuneration as recommended by the GCGC.
- Dr. Stefan Sigg shall receive monthly non-compete compensation in the amount of one-twelfth of half of the agreed target total remuneration (excluding LIP, pension benefits, and additional benefits) applicable as of the date of termination of the Management Board employment contract. Thus, the total severance payment by Software AG as described above—consisting of one target total remuneration (excluding LIP, pension benefits, and additional benefits) and non-compete compensation—does not exceed the severance cap of two years' annual remuneration as recommended by the GCGC.
- Joshua Husk shall receive monthly non-compete compensation in the amount of one-twelfth of half of the agreed target total remuneration (excluding additional benefits) applicable as of the date of termination of the Management Board employment contract. Any other severance payments shall be offset.
- Dr. Benno Quade shall receive monthly non-compete compensation in the amount of one-twelfth of half of the agreed cash remuneration (fixed annual salary and short-term variable remuneration) applicable as of the date of termination of the Management Board employment contract. Any other severance payments shall be offset.

2.5.4.4 Obligations in connection with a change in control

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

The CEO, Sanjay Brahmawar, only becomes subject to this policy when the current remuneration system becomes applicable to him upon his contract renewal (as of August 1, 2023). Until then, he shall be 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.

2.5.5 Remuneration in the event of illness

In the event of illness, the members of the Management Board shall receive full pay based on their annual target remuneration for a period of six months (12 months in one Management Board member's contract). Thereafter, the variable salary 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.

2.5.6 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 in which the permanent disability was determined. When in doubt, permanent disability is determined by an expert assessment and is deemed to be present when the Board member has been unable to work for 12 consecutive months (excluding Dr. Elke Frank's contract).

From the date of departure due to permanent disability until completion of the 62nd year of age, CEO Sanjay Brahmawar shall receive a monthly disability pension of €20.1 thousand (2021: €20.1 thousand). The disability pension is linked to his pension entitlement and 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.

2.5.7 No additional other obligations

No commitments beyond those described 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.

2.6 GRANTED AND OWED REMUNERATION PURSUANT TO SECTION 162 OF AKTG

According to section 162 of AktG, all fixed and variable remuneration components that were “granted and owed” to individual members of the Management Board in 2021 and 2022 are to be disclosed. Because according to AktG, it is open to interpretation as to when some individual remuneration components are granted and owed, Software AG developed presentation methods for the first-time application of section 162 of AktG in the 2021 Remuneration Report in accordance with IDW guidelines, and continued to apply them in this 2022 Remuneration Report. In Software AG’s view, the following remuneration components in particular are open to interpretation:

- Pension benefits: Pension benefits are presented in the year of payment to beneficiaries as granted and owed remuneration. This applies to payments of pensions under defined benefit obligations as well as cash payments that serve as contributions to board members’ private pension planning or to settle acquired pension entitlements.
- STI: Short-term variable remuneration under the Short-Term Incentive Plan is fully earned upon conclusion of the fiscal year for which remuneration is contractually granted. Just the Supervisory Board’s determination of target achievement and subsequent disbursement occur in the following year. Short-term variable remuneration under the Short-Term Incentive Plan is therefore shown as granted and owed remuneration in the fiscal year for which it is contractually granted.
- PPS plan and LIP: Remuneration from stock options is shown for all plans as granted and owed in the year of disbursement.

The comparability of the relative proportions of all fixed and variable components shown in the following tables with the information on the relative proportions of target total remuneration in [the graphic on page 248](#) is limited. As described in [section 2.3](#), target total remuneration is remuneration granted in relation to the respective financial year irrespective of when it is disbursed, whereas individual remuneration components are shown in the Remuneration Report as granted and owed directly upon disbursement pursuant to AktG.

Granted and Owed Remuneration for Current Management Board Members

		Sanjay Brahmawar CEO Joined Aug. 1, 2018				
in €		2021	2021 (as %)	2022	2022 (as %)	
Fixed remuneration components	Fixed annual salary	1,000,000	44.7	1,000,000	56.5	
	Additional benefits	6,732	0.3	6,732	0.4	
	Pension benefits	0	0.0	0	0.0	
	Total, fixed	1,006,732	45.0	1,006,732	56.9	
Variable remuneration components	Short-term (STI)	1,188,133	53.1	702,750	39.7	
	Long-term (LTI) share-based incentive	Performance Phantom Shares (PPS)	41,878	1.9	60,546	3.4
		Long-Term Incentive Plan (LIP, MIP)	0	0.0	0	0.0
	Total, variable	1,230,012	55.0	763,296	43.1	
Other	0	0.0	300	0.0		
Repayment claims pursuant to section 162(1), s. 2, no. 4 AktG	0	0.0	0	0.0		
Total remuneration	2,236,743	100.0	1,770,328	100.0		

		Dr. Elke Frank CHRO Joined Aug. 1, 2019 / Left Oct. 31, 2022				
in €		2021	2021 (as %)	2022	2022 (as %)	
Fixed remuneration components	Fixed annual salary	500,000	49.9	416,667	25.0	
	Additional benefits	21,458	2.1	17,882	1.1	
	Pension benefits	0	0.0	0	0.0	
	Total, fixed	521,458	52.1	434,549	26.1	
Variable remuneration components	Short-term (STI)	475,253	47.5	221,750	13.3	
	Long-term (LTI) share-based incentive	Performance Phantom Shares (PPS)	4,828	0.5	9,039	0.5
		Long-Term Incentive Plan (LIP, MIP)	0	0.0	0	0.0
	Total, variable	480,082	47.9	230,789	13.9	
Other	0	0.0	1,000,300 ¹	60.1		
Repayment claims pursuant to section 162(1), s. 2, no. 4 AktG	0	0.0	0	0.0		
Total remuneration	1,001,540	100.0	1,665,638	100.0		

¹ Includes severance payment in connection with departure from the Management Board in the amount of €1,000,000 (see section 2.5.4.2).

		Dr. Matthias Heiden CFO Joined July 1, 2020 / Left Dec. 31, 2022				
in €		2021	2021 (as %)	2022	2022 (as %)	
Fixed remuneration components	Fixed annual salary	600,000	54.4	600,000	64.0	
	Additional benefits	23,364	2.1	23,364	2.5	
	Pension benefits	0	0.0	0	0.0	
	Total, fixed	623,364	56.5	623,364	66.5	
Variable remuneration components	Short-term (STI)	475,253	43.1	266,100	28.4	
	Long-term (LTI) share-based incentive	Performance Phantom Shares (PPS)	4,077	0.4	13,172	1.4
		Long-Term Incentive Plan (LIP, MIP)	0	0.0	0	0.0
	Total, variable	479,331	43.5	279,272	29.8	
Other	0	0.0	34,982 ¹	3.7		
Repayment claims pursuant to section 162(1), s. 2, no. 4 AktG	0	0.0	0	0.0		
Total remuneration	1,102,695	100.0	937,619	100.0		

¹ Includes compensation for lost paid vacation entitlement in connection with departure from the Management Board in the amount of €34,982.10.

		Joshua Husk CRO Joined Aug. 1, 2022				
in €		2021	2021 (as %)	2022 ²	2022 (as %)	
Fixed remuneration components	Fixed annual salary	0	–	360,170	29.1	
	Additional benefits	0	–	15,059	1.2	
	Pension benefits	0	–	67,288	5.4	
	Total, fixed	0	–	442,517	35.8	
Variable remuneration components	Short-term (STI)	0	–	255,778	20.7	
	Long-term (LTI) share-based incentive	Performance Phantom Shares (PPS)	0	–	0	0.0
		Long-Term Incentive Plan (LIP, MIP)	0	–	0	0.0
	Total, variable	0	–	255,778	20.7	
Other	0	–	538,097	43.5		
Repayment claims pursuant to section 162(1), s. 2, no. 4 AktG	0	–	0	0.0		
Total remuneration	0	–	1,236,392	100.0		

² With the exception of the STI, amounts paid locally in US dollars were translated into euros on the basis of average monthly exchange rates. The STI is translated on the basis of the year-end exchange rate.

		Dr. Benno Quade COO Joined Aug. 1, 2022				
in €		2021	2021 (as %)	2022	2022 (as %)	
Fixed remuneration components	Fixed annual salary	0	–	52,083	31.7	
	Additional benefits	0	–	9,981	6.1	
	Pension benefits	0	–	62,500	38.0	
	Total, fixed	0	–	124,564	75.8	
Variable remuneration components	Short-term (STI)	0	–	39,531	24.0	
	Long-term (LTI) share-based incentive	Performance Phantom Shares (PPS)	0	–	0	0.0
		Long-Term Incentive Plan (LIP, MIP)	0	–	0	0.0
	Total, variable	0	–	39,531	24.0	
Other	0	–	300	0.2		
Repayment claims pursuant to section 162(1), s. 2, no. 4 AktG	0	–	0	0.0		
Total remuneration	0	–	164,395	100.0		

		Dr. Stefan Sigg CPO Joined April 1, 2017				
in €		2021	2021 (as %)	2022	2022 (as %)	
Fixed remuneration components	Fixed annual salary	700,000	19.0	700,000	59.4	
	Additional benefits	42,082	1.1	42,283	3.6	
	Pension benefits	2,063,097	56.1	150,000	12.7	
	Total, fixed	2,805,179	76.3	892,283	75.7	
Variable remuneration components	Short-term (STI)	415,847	11.3	252,525	21.4	
	Long-term (LTI) share-based incentive	Performance Phantom Shares (PPS)	456,144	12.4	32,855	2.8
		Long-Term Incentive Plan (LIP, MIP)	0	0.0	0	0.0
	Total, variable	871,990	23.7	285,380	24.2	
Other	0	0.0	300	0.0		
Repayment claims pursuant to section 162(1), s. 2, no. 4 AktG	0	0.0	0	0.0		
Total remuneration	3,677,169	100.0	1,177,963	100.0		

Granted and Owed Remuneration for Former Management Board Members

		John Schweitzer former CRO Joined Nov. 1, 2018 / Left Feb. 28, 2021				
in €		2021	2021 (as %)	2022	2022 (as %)	
Fixed remuneration components	Fixed annual salary	96,148	13.6	0	–	
	Additional benefits	72,941	10.3	0	–	
	Pension benefits	2,066	0.3	0	–	
	Total, fixed	171,155	24.2	0	–	
Variable remuneration components	Short-term (STI)	137,765	19.5	0	–	
	Long-term (LTI) share-based incentive	Performance Phantom Shares (PPS)	398,065	56.3	0	–
		Long-Term Incentive Plan (LIP, MIP)	0	0.0	0	–
	Total, variable	535,830	75.8	0	–	
Other	0	0.0	0	–		
Repayment claims pursuant to section 162(1), s. 2, no. 4 AktG	0	0.0	0	–		
Total remuneration	706,984	100.0	0	–		

		Karl-Heinz Streibich former CEO Joined Oct. 1, 2003 / Left July 31, 2018				
in €		2021	2021 (as %)	2022	2022 (as %)	
Fixed remuneration components	Fixed annual salary	0	0.0	0	0.0	
	Additional benefits	0	0.0	0	0.0	
	Pension benefits	358,927	56.7	377,986	57.9	
	Total, fixed	358,927	56.7	377,986	57.9	
Variable remuneration components	Short-term (STI)	0	0.0	0	0.0	
	Long-term (LTI) share-based incentive	Performance Phantom Shares (PPS)	274,387	43.3	274,387	42.1
		Long-Term Incentive Plan (LIP, MIP)	0	0.0	0	0.0
	Total, variable	274,387	43.3	274,387	42.1	
Other	0	0.0	0	0.0		
Repayment claims pursuant to section 162(1), s. 2, no. 4 AktG	0	0.0	0	0.0		
Total remuneration	633,313	100.0	652,372	100.0		

		Arnd Zinnhardt former CFO Joined May 1, 2002 / Resigned March 31, 2020 / Left Sept. 30, 2020				
in €		2021	2021 (as %)	2022	2022 (as %)	
Fixed remuneration components	Fixed annual salary	0	0.0	0	0.0	
	Additional benefits	0	0.0	0	0.0	
	Pension benefits	0	0.0	141,787	86.7	
	Total, fixed	0	0.0	141,787	86.7	
Variable remuneration components	Short-term (STI)	0	0.0	0	0.0	
	Long-term (LTI) share-based incentive	Performance Phantom Shares (PPS)	1,216,404	84.4	21,801	13.3
		Long-Term Incentive Plan (LIP, MIP)	0	0.0	0	0.0
	Total, variable	1,216,404	84.4	21,801	13.3	
Other	225,000	15.6	0	0.0		
Repayment claims pursuant to section 162(1), s. 2, no. 4 AktG	0	0.0	0	0.0		
Total remuneration	1,441,404	100.0	163,589	100.0		

2.7 VERTICAL REMUNERATION COMPARISON

In accordance with the recommendations of the GCGC, when assessing the usual level of Management Board remuneration within Software AG, the Supervisory Board takes into account the relationship between Management Board remuneration and that of senior management and the staff as a whole, and how remuneration has developed over time.

The following table illustrates the rate of change of Management Board members' remuneration compared with Software AG's earnings development and employees' (FTE) average remuneration year-on-year. The basis for the rates of change presented are the amounts indicated as "granted and owed remuneration" in [section 2.6](#) in accordance with section 162 of AktG. Significant fluctuations in the rate of change are because of one-off effects (e.g., from severance payments) or because members of the Management Board only received pro-rated remuneration in certain fiscal years due to having joined or left the Company mid-year.

Earnings development is shown in accordance with legal regulations based on the development of Software AG's net income under German commercial law. Because Software AG's net income under German commercial law is regularly influenced by subsidiaries' dividend disbursements to varying degrees, the comparison is only of limited significance. A comparison of Management Board remuneration relative to Software AG's operating earnings (EBITA, non-IFRS) was therefore also carried out.

The average remuneration of Software AG's staff worldwide is used in the comparison with the development of employees' average remuneration. This assessment examined the remuneration of all employees, including senior managers, in accordance with section 5(3) of BetrVG (German Works Constitution Act). Additional compensation for employees serving on the Supervisory Board of Software AG is not included. Furthermore, a comparison with all managers who report directly to the Management Board was also conducted.

Comparison of Annual Change in Management Board Remuneration

	% change 2022 vs. 2021	% change 2021 vs. 2020
Remuneration of current Management Board members		
Sanjay Brahmawar CEO	-20.9	
Dr. Elke Frank CHRO (until Oct. 31, 2022)	66.2	
Dr. Matthias Heiden CFO (until Dec. 31, 2022)	-15.0	
Joshua Husk CRO (since Aug. 1, 2022)	100.0	
Dr. Benno Quade COO (since Aug. 1, 2022)	100.0	
Dr. Stefan Sigg CPO	-68.0	
Remuneration of former Management Board members		
John Schweitzer former CRO (until Feb. 28, 2021)	-100.0	
Karl-Heinz Streibich former CEO (until July 31, 2018)	3.0	
Arnd Zinnhardt former CFO (until Sept. 30, 2020)	-88.7	
Software AG's financial performance		
Operating EBITA (non-IFRS) Software AG Group	9.0	
Net income after tax Software AG	399.7	
Average employee salary growth		
Salary growth of all employees	5.8	1.9
Salary growth in the second tier of management	3.5	4.9

2.8 ASSESSMENT OF THE APPROPRIATENESS OF MANAGEMENT BOARD REMUNERATION

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

To assess the appropriateness of Management Board remuneration and pensions, the Supervisory Board called upon an external consultant. On the one hand, the relationship of the amount and structure of the Management Board's remuneration with the remuneration of senior management and the staff as a whole was evaluated from a company-external perspective (vertical comparison). In addition to the status quo, the vertical comparison also took into account the development of remuneration correlations over time. On the other hand, remuneration amounts and structures were evaluated from the point of view of Software AG's position in comparison with the market (horizontal comparison). The comparative peer-group market consisted of MDAX companies. Companies in the financial services sector were 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 included short and long-term remuneration components as well as additional benefits and pension benefits. The

Supervisory Board compiled the peer group with a sense of perspective in order to prevent an automatic upward remuneration trend.

For new appointments of Management Board members in the 2022 fiscal year, a horizontal comparison with the described peer-group market was carried out for each new position with the help of an external consultant to ensure appropriate remuneration for new members of the Management Board. To account for regional specifics and guarantee competitiveness in the US labor market, the peer-group market for Joshua Husk's remuneration was adjusted accordingly. That comparison used remuneration of CROs and heads of sales at publicly listed companies with revenue between \$500 and \$1,000 million based on both the East and West Coasts of the USA.

3 Supervisory Board Remuneration

3.1 REMUNERATION SYSTEM

The Supervisory Board 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 Supervisory Board remuneration have remained market-oriented and in appropriate relation to the tasks of the Supervisory Board and to the Company's overall situation. This includes a horizontal 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 remuneration system, the Management Board and Supervisory Board shall make a proposal to the Annual Shareholders' Meeting to amend Supervisory Board 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, by a majority of 99.91 percent of shareholders' voting shares, in accordance with section 113(3), sentences 1 and 2 of AktG, in conjunction with section 14 of Software AG's Articles of Association.

3.2 REMUNERATION AMOUNT AND COMPONENTS

Supervisory Board 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 performance-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 and corresponds to recommendation G.18 of the GCGC.

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 higher time commitment of the chair and deputy chair on the Supervisory Board is accounted for in the calculation of their remuneration.

The higher time commitment is also accounted for with respect to membership in and chairing committees. Committee members receive €2,000 each time they attend a committee meeting. 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. Supervisory Board remuneration is not capped at a specific amount.

Members of the Supervisory Board are covered by a directors' and officers' liability insurance policy carried by the Company; their premiums are paid by Software AG. In addition, the Company reimburses Supervisory Board members for any expenses incurred in connection with their Supervisory Board activities as well as any statutory value added tax on their income.

The details of Supervisory Board members' remuneration are 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.

Remuneration policies apply equally to shareholder representatives and employee representatives on the Supervisory Board.

3.3 GRANTED AND OWED REMUNERATION PURSUANT TO SECTION 162 OF AKTG

Supervisory Board Members' Remuneration in the 2022 and 2021 Fiscal Years

	Fiscal year		Fixed remuneration	Committee remuneration	Total
Remuneration of current Supervisory Board Members					
Karl-Heinz Streibich Chair (until Jan. 31, 2022) Personnel Committee (chair) Nominating Committee (chair)	2022	in €	12,100	4,000	16,100
		% of total	75	25	100
	2021	in €	145,200	32,000	177,200
		% of total	82	18	100
Christian Yannick Lucas Chair (since Feb. 3, 2022) Personnel Committee (chair) Nominating Committee (chair) Audit Committee	2022	in €	—	—	— ¹
		% of total	—	—	—
	2021	in €	—	—	—
		% of total	—	—	—
Madlen Ehrlich Dep. chair Audit Committee	2022	in €	99,000	6,000	105,000
		% of total	94	6	100
	2021	in €	16,545	4,000	20,545
		% of total	81	19	100
Ralf Dieter (until Jan. 31, 2022) Audit Committee (chair) Nominating Committee	2022	in €	5,500	—	5,500
		% of total	100	—	100
	2021	in €	66,000	24,000	90,000
		% of total	73	27	100
Oliver Collmann (since April 4, 2022) Audit Committee (chair) Nominating Committee	2022	in €	49,500	8,000	57,500
		% of total	86	14	100
	2021	in €	—	—	—
		% of total	—	—	—
Bettina Schraudolf Personnel Committee	2022	in €	66,000	4,000	70,000
		% of total	94	6	100
	2021	in €	11,030	2,000	13,030
		% of total	85	15	100
Ursula Soritsch-Renier Personnel Committee Nominating Committee	2022	in €	66,000	6,000	72,000
		% of total	92	8	100
	2021	in €	66,000	10,000	76,000
		% of total	87	13	100
Markus Ziener (until May 17, 2022) Audit Committee (chair Feb. 1, 2022 until May 17, 2022) Nominating Committee	2022	in €	27,500	6,000	33,500
		% of total	82	18	100
	2021	in €	66,000	18,000	84,000
		% of total	79	21	100

¹ The chair of the Supervisory Board, Christian Lucas, waived his remuneration for the 2022 fiscal year.

Supervisory Board Members' Remuneration in the 2022 and 2021 Fiscal Years

	Fiscal year		Fixed remuneration	Committee remuneration	Total
Remuneration of former Supervisory Board Members					
	2022	in €	–	–	–
		% of total	–	–	–
Guido Falkenberg Dep. chair (until Nov. 4, 2021) Personnel Committee	2021	in €	82,455	14,000	96,455
		% of total	85	15	100
	2022	in €	–	–	–
		% of total	–	–	–
Christian Zimmermann (until Nov. 4, 2021) Audit Committee	2021	in €	54,970	8,000	62,970
		% of total	87	13	100
	2022	in €	325,600	34,000	359,600
		% of total	91	9	100
Total Supervisory Board remuneration	2021	in €	508,200	112,000	620,200
		% of total	82	18	100

3.4 VERTICAL REMUNERATION COMPARISON

Analogous to the principles of presentation applied in the vertical comparison of Management Board remuneration in [section 2.7](#), the following table shows a comparison of the rate of change in Supervisory Board remuneration with Software AG's earnings development and employees' (FTE) average remuneration year-on-year. The basis for the rates of change presented are the amounts indicated as "granted and owed remuneration" in [section 3.3](#) in accordance with section 162 of AktG. Significant fluctuations in the rate of change are because some members of the Supervisory Board only received pro-rated remuneration in certain fiscal years due to having joined or left the Company mid-year. 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.

Comparison of Annual Change in Supervisory Board Remuneration

	% change 2022 vs. 2021	% change 2021 vs. 2020
Remuneration of current Supervisory Board Members		
Karl-Heinz Streibich Chair (until Jan. 31, 2022) Personnel Committee (chair) Nominating Committee (chair)	-90.9	
Christian Yannick Lucas Chair (since Feb. 3, 2022) Personnel Committee (chair) Nominating Committee (chair) Audit Committee	–	
Madlen Ehrlich Dep. chair Audit Committee	411.1	
Ralf Dieter (until Jan. 31, 2022) Audit Committee (chair) Nominating Committee	-93.9	
Oliver Collmann (since April 4, 2022) Audit Committee (chair) Nominating Committee	100.0	
Bettina Schraudolf Personnel Committee	437.2	
Ursula Soritsch-Renier Personnel Committee Nominating Committee	-5.3	
Markus Ziener (until May 17, 2022) Audit Committee (chair Feb. 1, 2022 until May 17, 2022) Nominating Committee	-60.1	
Remuneration of former Supervisory Board Members		
Guido Falkenberg Dep. chair (until Nov. 4, 2021) Personnel Committee	-100.0	
Christian Zimmermann (until Nov. 4, 2021) Audit Committee	-100.0	
Software AG's financial performance		
Operating EBITA (non-IFRS) Software AG Group	9.0	
Net income after tax Software AG	399.7	
Average employee salary growth		
Salary growth of all employees	5.8	1.9
Salary growth in the second tier of management	3.5	4.9

Report of the Independent Auditor

To Software Aktiengesellschaft, Darmstadt/Germany

We have audited the accompanying remuneration report of Software Aktiengesellschaft, Darmstadt/Germany, (“the Company”) for the financial year from January 1 to December 31, 2022, including the related disclosures, which has been prepared to comply with Section 162 German Stock Corporation Act (AktG).

Responsibilities of the Executive Directors and of the Supervisory Board

The executive directors and the supervisory board of Software Aktiengesellschaft, Darmstadt/Germany, are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of Section 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they consider 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 compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). These Standards require that we fulfill the professional responsibilities and that we plan and perform the audit so that we obtain reasonable assurance as to whether the remuneration report, including the related disclosures, is free from material misstatements.

An audit involves performing audit procedures in order to obtain audit evidence for the amounts stated in the remuneration report, including the related disclosures. The choice of the audit procedures is subject to the auditor’s professional judgment. This includes assessing the risk of material misstatements, whether due to fraud or error, in the remuneration report, including the related disclosures. In assessing these risks, the auditor considers the system of internal control, which is relevant to preparing the remuneration report, including the related disclosures. Our objective is to plan and perform audit procedures that are appropriate in the circumstances, but not to express an audit opinion on the effectiveness of the Company’s system of internal control. An audit also comprises an evaluation of the accounting policies used, of the reasonableness of accounting estimates made by the executive directors and the supervisory board as well as an evaluation of 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, on the basis of the knowledge obtained in the audit, the remuneration report for the financial year from January 1 to December 31, 2022, including the related disclosures, complies, in all material respects, with the accounting principles of Section 162 AktG.

Other Matter – Formal Audit of the Remuneration Report

The content audit of the remuneration report described in this report comprises the formal audit required under Section 162 (3) AktG including the issuance of a report on this audit. Since our audit opinion on the content audit is unmodified, this audit opinion includes that the disclosures required under Section 162 (1) and (2) AktG are contained, in all material respects, in the remuneration report.

Intended Use of the Report

We issue this report as stipulated in the engagement letter agreed with the Company. The audit has been performed for the purposes of the Company and the report is solely intended to inform the Company about the result of the audit.

Liability

This report is not intended to be used by third parties as a basis for any (asset) decision. We are liable solely to Software Aktiengesellschaft, Darmstadt/Germany, and our liability is also governed by the engagement letter dated December 12, 2022 agreed with the Company as well as the “General Engagement Terms for Wirtschaftsprüfer and

Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)“ promulgated by the Institut der Wirtschaftsprüfer (IDW) in the version dated January 1, 2017 (IDW-AAB). However, we do not accept or assume liability to third parties.

Frankfurt am Main/Germany, March 8, 2023

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

(Kirsten Gräbner-Vogel)
Wirtschaftsprüferin
(German Public Auditor)

(Dr. Steffen Umlauf)
Wirtschaftsprüfer
(German Public Auditor)

ADDITIONAL INFORMATION AND NOTICES

Requirements for participation in the Annual Shareholders' Meeting and 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, 2023 (Registration Deadline) will be entitled to attend the Annual Shareholders' Meeting and 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 the above-named Registration Deadline:

Software AG
c/o Computershare Operations Center
80249 Munich

or via Email: anmeldestelle@computershare.de

For purposes of determining the right to participate and 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, 2023 to May 17, 2023), 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 May 10, 2023 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.

Depending on the manner of registration, the shareholder will be given an admission card by email or the opportunity to print out his or her own admission card via the shareholder portal directly. We would ask the shareholders or their proxies to bring the admission cards with them to the Annual Shareholders' Meeting and to present them to the security check-in personnel. This will thereby simplify the processing procedure at the Annual Shareholders' Meeting.

We would also ask the shareholders to submit their registration as early as possible.

Voting by absentee ballot

Shareholders who have been duly registered may cast their votes prior to the Shareholders' Meeting 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 Annual Shareholders' Meeting or the admission card which 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 or the admission card 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, 2023.

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). Votes by absentee ballot can no longer be cast during the Annual Shareholders' Meeting.

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.

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 be provided by having the proxy present the power of attorney to the security check-in personnel on the day of the Annual Shareholders' Meeting. The evidence may also be sent via mail or via email. The address where evidence of the granted authorization should be sent as well as the email address (collectively referred to as "Proxy Recording Address") are:

Software AG
c/o Computershare Operations Center
80249 Munich

Email: anmeldestelle@computershare.de

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. That form will be provided with the registration form and also once again with the admission card and also be downloaded from the Company's website, [Annual Shareholders' Meetings](#). In addition, it can be requested by sending notice to the above-referenced Proxy Recording Address.

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 Shareholders' 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 lodge requests to speak, to submit objections to resolutions of the Shareholders' Meeting or to pose questions or make motions.

The grant and revocation of the powers of attorney and the instructions to the proxies appointed by the Company must be made in "text form" (as defined by German law under section 126 BGB) and may be made as follows:

- 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, 2023 electronically in the shareholder portal or otherwise 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. The grant or revocation of powers of attorney or instructions to the Company-appointed proxies, which are received late via the aforementioned means of transmission, cannot be considered.

- During the Annual Shareholders' Meeting, powers of attorney or instructions may be granted to or revoked from the Company-appointed proxies until the end of the general debate.

Proxy forms for granting powers of attorney and issuing voting instructions to the Company-appointed proxies are included with the registration form and also once again with the admission card; they may also be requested by sending the request notice to the above named Proxy Recording Address or by downloading them from the Company's website www.softwareag.com/hauptversammlung.

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 Monday June 19, 2023, 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 Monday June 19, 2023 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 prior to the Shareholders' Meeting 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. A vote cast during the Annual Shareholders' Meeting will in any case be given priority over a vote cast prior to the Annual Shareholders' Meeting. Appearance in person shall be deemed to be a revocation of a proxy or instruction issued to the Company-appointed proxies prior to the Annual Shareholders' Meeting.

Should, prior to the Shareholders' Meeting, 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 instructions to the proxies appointed by the Company. A vote cast during the Annual Shareholders' Meeting will in any case be given priority over a vote cast prior to the Annual Shareholders' Meeting. Appearance in person shall be deemed to be a revocation of a proxy or instruction issued to the Company-appointed proxies prior to the Annual Shareholders' Meeting.

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, 2023. The request shall be addressed to the Management Board of the Company in writing or in electronic form pursuant to Section 126a BGB (i.e. with a qualified electronic signature). The address and the email address for the transmission of motions to supplement the agenda in electronic form pursuant to section 126a BGB (collectively referred to as "Shareholder Motion Address") are:

Software AG
FAO Management Board
Uhlandstrasse 12
64297 Darmstadt

Email: hauptversammlung@softwareag.com

Motions to supplement the agenda addressed elsewhere will not be considered. 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

Every shareholder has the right to submit a countermotion at the Annual Shareholders' Meeting against the proposals of the Management Board and/or Supervisory Board on a specific item on the agenda.

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 on or before midnight (24.00 (CEST)) on May 2, 2023, will be made available without undue delay to the shareholders on the Company's website at www.softwareag.com/hauptversammlung

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

Every shareholder has the right to make nominations for the election of auditors and Supervisory Board members at the Annual Shareholders' Meeting, insofar as the election of auditors and Supervisory Board members is to be put to the vote. The election of the auditors is put to the vote in agenda item 5.

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 on or before midnight (24.00 (CEST)) on May 2, 2023, will be made available without undue delay to shareholders on the Company's website at www.softwareag.com/hauptversammlung.

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. Shareholders' rights to information

Pursuant to section 131 (1) AktG, the Management Board will be required to disclose information about the Company's affairs if requested to do so by shareholder at the Shareholders' Meeting provided that such information is required for suitable assessment of the item on the agenda.

More extensive explanations regarding the shareholders' right to information pursuant to section 131 (1) AktG will be available on the Company's website at www.softwareag.com/hauptversammlung.

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, 2023.

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 (April 3, 2023), 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 April 3, 2023.

UTC times (disclosures pursuant to Table 3 of the Commission Implementing Regulation (EU) 2018/1212)

All time information in this notice is given in Central European Time (CEST), which is authoritative for Germany. With regard to the coordinated universal time (UTC), this corresponds to the ratio UTC = CEST minus two hours.

Further information on voting (disclosures pursuant to Table 3 of the Commission Implementing Regulation (EU) 2018/1212)

Shareholders and their proxies have the option of exercising their voting rights by absentee ballot or by authorizing the Company-appointed proxies as specified in more detail below. No resolution is proposed under agenda item 1 and therefore no vote is planned (for explanation see there). The planned votes on agenda items 2 to 5 and 8 are binding, the votes on agenda items 6 and 7 are recommendatory. With regard to the proposed resolution on agenda item 6,

it should be noted that, pursuant to section 120a (4) sentence 2 in conjunction with para. (2) sentences 2 and 3 AktG, the resolution of the Annual Shareholders' Meeting on the remuneration report 2022, even in the event of non-approval, does not create any rights or obligations and cannot be challenged. On all resolutions, shareholders may vote "yes" (vote in favor) or "no" (vote against) or abstain from voting (abstention).

Information on data protection

1) General information

In connection with the preparation, implementation and follow-up work related to Software AG's Shareholders' Meeting, 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") and the German Stock Corporation Act (abbreviated in German as "AktG").

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, 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 2023

Software AG

The Management Board