

NOTICE OF THE ANNUAL SHAREHOLDERS' MEETING OF
SOFTWARE AKTIENGESELLSCHAFT, DARMSTADT
Securities Identification Code (WKN) 330400
ISIN DE 0003304002

We hereby invite our shareholders to attend the
Annual Shareholders' Meeting
to be held on
Wednesday, May 13, 2015 at 10:00am
at darmstadtium - Wissenschafts- und Kongresszentrum
Schlossgraben 1, in 64283 Darmstadt, Germany.

A G E N D A:

1. Submission of the approved annual financial statements of Software Aktiengesellschaft per December 31, 2014 and the approved consolidated financial statements per December 31, 2014 together with the combined management report and group management report and submission of the explanatory report of the Executive Board concerning the information pursuant to §§ 289 (4), 315 (4) of the German Commercial Code (“HGB”), as well as the report of the Supervisory Board for fiscal year 2014.

Beginning on the date the Notice of the Annual Shareholders’ Meeting is officially published, the aforementioned documents and the Executive Board’s recommendation on the use of profits (see Agenda Item 2 below) will be available on the Internet at the Company’s website: <http://www.softwareag.com/hauptversammlung>. The Supervisory Board has approved the annual financial statements prepared by the Executive Board as well as the consolidated financial statements; the annual financial statements are therefore deemed adopted in accordance with the first sentence of § 172 of the German Stock Corporation Act (“AktG”). Hence, there is no need for the Shareholders’ Meeting to adopt a resolution thereon.

2. **Resolution on the use of the non-appropriated balance sheet profits**
The Executive Board and the Supervisory Board recommend that the non-appropriated balance sheet profits (*Bilanzgewinn*) for fiscal year 2014 totaling € 91,143,651.66 be used as follows:

Payment of a dividend in the amount of € 0.50 per bearer share on the registered share capital entitled to dividends for 78,918,844 dividend-earning shares	€ 39,459,422.00
Profit carried forward	€ 51,684,229.66
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Non-appropriated balance sheet profits	€ 91,143,651.66

The recommendation on the use of non-appropriated balance sheet profits takes account of the treasury shares, which are held by the Company as of March 27, 2015 and which are not entitled to dividends.

The number of shares entitled to dividends may increase or decrease up until the date of the Annual Shareholders' Meeting, if the Company acquires or sells more of its own shares. In such cases, a revised recommendation on the use of the non-appropriated balance sheet profit will be submitted to the Annual Shareholders' Meeting, in which the amount of dividend per dividend-earning share shall remain the same.

3. Resolution on ratifying the actions of the Executive Board members for fiscal year 2014

The Executive Board and Supervisory Board recommend ratifying the actions taken by the Executive Board members, who were in office in fiscal year 2014, for fiscal year 2014.

4. Resolution on ratifying the actions of the Supervisory Board members for fiscal year 2014

The Executive Board and Supervisory Board recommend ratifying the actions taken by the Supervisory Board members, who were in office in fiscal year 2014, for fiscal year 2014.

5. Appointment of the annual financial statements auditor for fiscal year 2015

Relying on the recommendation of the Audit Committee, the Supervisory Board recommends engaging the accounting firm of BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, to serve as the annual financial statements auditor (*Abschlussprüfer*) of the Company and of the corporate group for fiscal year 2015.

6. Deletion of the contingent capital in § 5 (2) of the Articles of Association and the associated amendments to the Articles of Association

In the future, cash or, if applicable, treasury shares should be used to service the existing stock option program for members of the Executive Board of the Company, members of the managing directorship of the subsidiaries and other employees (Management Incentive Plan III, IV). In light of this, the 2008 and 2012 Contingent Capital as provided in § 5 (2) of the Articles of Association is no longer required and can be deleted.

The Executive Board and Supervisory Board recommend adopting the following resolution:

The contingent capital provided in § 5 (2) of the Articles of Association is deleted. The numbering of sub-paragraphs (3) to (6) will be modified accordingly.

7. Amendments to the Articles of Association

Since the Executive Board of the Company believes that the provisions of the Co-determination Act (*Mitbestimmungsgesetz*) no longer apply to the Supervisory Board, but that instead the provisions of the One-third Employee Participation Act (*Drittelbeteiligungsgesetz*) are applicable, the Executive Board instituted status proceedings as per § 97 AktG on January 2, 2015 through the publication of an announcement pursuant to § 97 (1) AktG. No motion was made to the court having jurisdiction for the purpose of a judicial decision on the composition of the Supervisory Board pursuant to § 98 (1) AktG within the one month deadline set out in § 97 (2) AktG. Thus, according to § 97 (2) sentence 2 and 3 AktG, the provisions of the Articles of Association regarding the composition of the Supervisory Board, the number of Supervisory Board members and the election, removal and delegation of Supervisory Board members shall cease to apply upon the conclusion of the shareholders' meeting on May 13, 2015, and the office of the present members of the Supervisory Board shall expire at the same time.

The previous Articles of Association prescribe the application of the Co-determination Act and must be changed accordingly. In this connection, the number of members of the Supervisory Board should be reduced from twelve to six and the provisions regarding the Supervisory Board should be amended to reflect its new composition. The Executive Board and the Supervisory Board recommend adopting the following resolution:

Paragraphs 9-11 and paragraph 13 of the Articles of Association are rescinded and completely redrafted as follows:

Paragraph 9

- (1) The Supervisory Board is composed of six members, of which four members are elected from the Shareholders' Meeting and two members are elected from the employees pursuant to the provisions of the One-third Employee Participation Act dated 18 May 2004 (DrittelG).*
- (2) Every member of the Supervisory Board may resign from office subject to a one-month notice period, even without good cause.*
- (3) Supervisory Board members, who may be elected by the Shareholders' Meeting without being bound by election proposals, should be appointed by the Shareholders' Meeting only for terms of office ending no later than at the end of the Annual Shareholders' Meeting following the 70th birthday of the Supervisory Board member.*

Paragraph 10

- (1) The term of office of the Chairman of the Supervisory Board and his/her deputy shall be based on his/her then-current term of office as member of the Supervisory Board, unless a shorter term of office is prescribed at the*

time of election. Re-election is permissible upon re-appointment as a member of the Supervisory Board.

Paragraph 11

- (1) The meetings of the Supervisory Board shall be called by the Chairman of the Supervisory Board upon one-week's prior notice, and such notice must contain the agenda.*
- (2) The meeting shall be chaired by the Chairman, or in his/her absence, the Deputy Chairman. The Chairman of the Supervisory Board, or in his/her absence, the Deputy Chairman, shall determine the order in which the topics in the agenda are handled, as well as the manner and sequence of the voting.*
- (3) The Supervisory Board shall have quorum if at least three members participate in the adoption of the resolution. A member participates in the adoption of a resolution even if he/she abstains from voting. Absent members may participate in the adoption of resolutions by submitting a written vote via another member.*
- (4) The resolutions of the Supervisory Board shall be adopted upon a simple majority of the votes, except where another majority is mandated by statute. In the event of a tie vote (deadlock), the Chairman of the Supervisory Board shall decide whether another vote should be taken on the matter and whether the new vote should occur at this meeting of the Supervisory Board or at one of its next meetings. If a new vote on the same subject results in another deadlock, then the Chairman of the Supervisory Board shall have two votes.*
- (5) In the Supervisory Board, it is permissible to adopt resolutions in writing, via telephone or via another method of telecommunication if the rules of procedure of the Supervisory Board provide for such an approach or if the Chairman of the Supervisory Board decides on this matter in the individual case. At the Chairman's discretion, the resolutions can also be adopted partially at the meeting and partially outside of the meeting ("mixed method of resolution adoption").*
- (6) Declarations of intent (Willenserklärungen) of the Supervisory Board shall be made in the name of the Supervisory Board by the Chairman of the Supervisory Board or by a member authorized to do so by the Chairman.*

Paragraph 13

- (1) *The Supervisory Board may form committees from among its members. To the extent allowed by statute, decision-making powers of the Supervisory Board may be assigned to the committees.*
- (2) *The composition, powers and procedures of the committees shall be determined by the Supervisory Board. Insofar as the Supervisory Board makes no provisions in this regard, § 11 of these Articles of Association shall apply accordingly with regard to the committee procedures.*

8. Authorization to acquire the Company's own shares

The existing authority, which was granted on May 3, 2013 by the Shareholders' Meeting in order to allow the Company to acquire its own shares, expires as of May 2, 2018. By approving the 2013/ 2014 stock buyback program, the Executive Board has exercised this authority. The options for using the reacquired (treasury) shares should be expanded to include, *inter alia*, delivering shares under the amended stock option programs: Management Incentive Plan III and Management Incentive Plan IV. The Executive Board and Supervisory Board recommend revoking the current authority to acquire the Company's own shares and granting new authority to acquire the Company's own shares, and recommend that this new authority also prescribe generally new rules concerning use possibilities.

The Executive Board and Supervisory Board recommend that the following resolution be adopted:

- a) The Company is authorized to acquire its own shares up to a total of 10% of the registered share capital existing at the time the resolution is adopted. At no time shall the purchased shares - together with other treasury shares, which the Company had previously purchased or still holds or which are attributable to it under the provisions of §§ 71d and 71e AktG - make up more than 10% of the applicable registered share capital
- b) The authority will apply to the acquisition of the Company's own shares through May 12, 2020. The authority, which was approved by the Shareholders' Meeting on May 3, 2013, will be revoked as of the effective date of this new authority.
- c) At the Executive Board's option, the purchase may be made either on the stock market or by way of a public purchase offer directed to all shareholders of the Company or the public invitation to submit offers for sale. If the shares are purchased on the open stock market, then the consideration for the purchase of a share (not including the incidental purchasing costs) may not exceed or fall below, by more than 10%, the average listed price of the Company's shares - non-weighted average closing price of the shares as quoted in the Xetra trading system of the Frankfurt Stock Exchange or a comparable successor system - on the five trading days prior to the purchase. The day on which the business transaction is concluded

will be deemed the date of the purchase. If the shares are purchased on the basis of a public purchase offer or the public invitation to submit offers for sale, then the consideration for the purchase of a share (not including incidental purchasing costs) may not exceed or fall below, by more than 10 %, the average listed price of the Company's shares - non-weighted average closing price of the shares as quoted on the Xetra trading system of the Frankfurt Stock Exchange or a comparable successor system - on the five trading days prior to the publication of the offer or, in case of the invitation to submit offers for sale, on the sixth to the second trading day prior to the acceptance of the offers for sale. If the purchase offer is oversubscribed, then it will be accepted on *pro rata* basis. A preferential acceptance of smaller share amounts up to 100 shares per shareholder may be prescribed.

- d) Pursuant to the authority granted under paragraph a) above or previously granted authority, the Executive Board is authorized to use the acquired Company shares (treasury shares) for any legally permissible purpose and, in particular, to sell them either on the stock exchange or in a manner which conforms to the precept that all shareholders be treated equally (such as by making an offer to all shareholders of the Company).
- e) The Executive Board is further authorized, subject to the Supervisory Board's consent granted under paragraph a) or previously granted authority, to sell the acquired own shares while excluding the shareholders' preemptive rights, if the shares are sold against cash payments at a price that is not significantly below the then-current listed stock market price for the Company's shares with the same rights and features. This authorization is limited to shares which constitute a *pro rata* amount of the share capital of up to 10% of the Company's registered share capital existing at the time this authorization is granted or - if the value is lower - at the time that this authorization is used. This quantitative cap will be lowered by the *pro rata* interest of the registered share capital attributable to those shares that are issued during the term of this authorization in connection with a capital increase that excludes shareholder preemptive rights under § 186 (3) sentence 4 AktG. The quantitative cap will also be lowered by the *pro rata* interest of the registered share capital attributable to those shares that are issued to cover warrant-linked bonds or convertible bonds (containing an option or conversion right or an option or conversion duty), provided that the bonds are issued during the term of this authorization and shareholder preemptive rights are excluded under § 186 (3) sentence 4 AktG. The governing stock market price within the meaning of this paragraph will be the average listed price of the Company's shares - non-weighted average closing price of the shares as quoted in the Xetra trading system of the Frankfurt Stock Exchange or a comparable successor system - on the last five trading days prior to the sale. For purposes of determining the sale, the date on which the transaction enters into effect will govern.

- f) The Executive Board is further authorized to use the treasury shares, which were acquired on the basis of the authority granted under a) or on the basis of authority previously granted, while excluding the preemptive rights of the shareholders, in order
- (i) to transfer them to members of the managing directorship of the Company and of affiliated enterprises in connection with the existing stock option program of the Company, Management Incentive Plan (MIP) III, the performance targets of which (namely generating - no later than fiscal year 2011 - consolidated Group revenues of TEUR 1,000,000 while at the same time doubling after-tax earnings compared to fiscal year 2006) were met in fiscal year 2010. There are currently 1,718,800 MIP III options held by plan participants, and of that amount, 1,360,000 options were awarded to members of the Company's Executive Board and to members of the managing directorships of affiliated enterprises, with the remainder awarded to employees (*Arbeitnehmern*) of the Company and affiliated enterprises. All option awards under MIP III stipulate an initial waiting period of four years, which has already expired. The strike price of the options is EUR 24.12. The underlying increase in value per share is subject to an upper limit (cap) share price of EUR 45.00, i.e. the maximum economic accrual to the beneficiaries is EUR 20.88 (gross) per share. Any additional or greater sales proceeds will accrue to the Company. The allotment of options under MIP III was carried out from 2007 through 2010. It became possible to exercise options beginning on May 19, 2011, and that possibility continues until June 30, 2019.
 - (ii) to transfer them to employees and members of the managing directorship of the Company and affiliated enterprises in connection with the existing stock option program of the Company, Management Incentive Plan (MIP) IV, which provides for the following terms and conditions: the waiting period is at least four years. The employment or board member relationship must have existed as of the date of the offer or the award, and the transfer is conditioned on achieving at least a revenue-based performance target, which calls for the doubling of revenues generated with new products by no later than fiscal year 2015 relative to fiscal year 2010 and for annual revenues with new products to equal at least EUR 450 million in the year that the target is reached; new products are any and all products, which do not belong to the Adabas or Natural family of products (including EntireX) or which are third party products that are sold separately under distribution rights. Revenues from modified licensing models in the Cloud business sector should be rendered comparable. The Executive Board may stipulate further implementation details or additional performance targets.
In the event that the performance targets are reached, the program provides alternatively either for payment in cash or the delivery of

shares, whereby the delivery of shares shall be in return for payment of a strike (exercise) price of EUR 41.34, or free of charge based on a correspondingly reduced number of shares. The underlying increase in value per share is subject to an upper limit (cap) of a share price of EUR 55.00; i.e. the maximum economic accrual to the beneficiaries is EUR 13.66 (gross) per share. Any greater sales proceeds will accrue to the Company.

Moreover, shares may be acquired only during the exercise period, which in each case must be between the third and the fifteenth trading day (in each case inclusive) on the Frankfurt Stock Exchange, after the last day of the Annual Shareholders' Meeting, after the publication of the earnings for the second quarter or after that publication for the third quarter. If shares are thereafter transferred or offered for purchase to members of Executive Board, then this authority will rest with the Supervisory Board.

The Plan provides that members of the Executive Board and members of the managing directorship of affiliated enterprises as well as their employees will in each case be offered, awarded or transferred up to 2,500,000 treasury shares for purchase;

- (iii) to offer for purchase and transfer such shares to employees and members of the managing directorship of the Company and affiliated enterprises in accordance with any future stock option programs approved by the Shareholders' Meeting pursuant to § 193 (2) no. 4 AktG

- g) The Executive Board is also authorized, subject to the Supervisory Board's consent, to sell the treasury shares acquired on the basis of the authority granted under a) or on the basis of authority previously granted, while excluding the shareholders' preemptive rights, to the extent that such measures are required to acquire companies, company divisions and/or investment holdings in companies or are needed in connection with corporate combinations.

- h) The Executive Board is further authorized, with the consent of the Supervisory Board and while excluding the shareholders' preemptive rights, to deliver, in accordance with the bond terms and conditions, the treasury shares, which were acquired on the basis of the authority granted under a) or on the basis of authority previously granted, to holders of warrants or convertible bonds that were issued by the Company or a wholly-owned direct or indirect subsidiary of the Company.

- i) The Executive Board is further authorized, without any additional resolution from the Shareholders' Meeting, to cancel - also in numerous incremental steps - all or some of the Company's treasury shares, which were purchased on the basis of paragraph a) above or on the basis of previously granted authority. The cancellation may be made, even without a reduction in

capital, by modifying the *pro rata* amount of the other no-par shares in the Company's registered share capital. In that case, the Executive Board will be authorized to make amendments to the Company's Articles of Association regarding the number of no-par shares.

- j) The authorizations to acquire and use the Company's own shares may be exercised, either in whole or in part (in the latter case, multiple times), not only by the Company but also by its affiliated Group companies or by third parties for their account or the Company's account. The purchase of the Company's own shares may be carried out in pursuit of one or more of the aforementioned purposes.

Executive Board's report pursuant to § 71 (1) no. 8 sentence 5 in connection with § 186 (3) sentence 4, (4) sentence 2 AktG relating to item 8 on the Agenda

By virtue of the proposed authorization, the Company will be placed in a position to acquire, on or before May 12, 2020, its own shares up to an amount equivalent to 10% of the registered share capital existing at the time of the Shareholders' Meeting in order to realize, in the interests of the Company and its shareholders, the benefits associated with the acquisition of a Company's own shares. That authority continues to be in place until May 2, 2018. Nevertheless, during the Shareholders' Meeting on May 13, 2018, new authority should be created and the current authority cancelled. This will provide the opportunity to acquire the Company's own shares for another five years in the amount of up to 10% of the registered share capital. In addition, this should broaden the opportunities for using the treasury shares, above all for purposes of delivering shares when options are exercised under the amended stock option programs: Management Incentive Plan III and Management Incentive Plan IV. The Executive Board made use of the authority granted at the 2013 Shareholders' Meeting by launching the 2013/ 2014 stock buyback program. Using the authority granted at the 2013 Shareholders' Meeting, the Company purchased 4,117,283 shares of its own stock at a total price of € 109,999,986.44 (excluding incidental purchasing costs).

Under the new authority, it should be possible to purchase the Company's own shares either on the open stock market or pursuant to a public purchase offer directed to all shareholders of the Company or the invitation to submit offers for sale. If the quantity of shares offered at a stipulated price should exceed the number of shares sought by the Company, then the shares shall be accepted on a *pro rata* basis. To this end, it should be possible to provide for a preference in accepting smaller offers or smaller portions of offers up to a maximum of 100 shares. This possibility is intended to avoid the creation of fractions (when stipulating the *pro rata* amounts to be acquired) and small remainders and to thereby simplify the technical settlement.

The sale of treasury shares shall be made on the stock market or in another appropriate manner and shall be carried out such that the shareholders are treated equally. Equal treatment (non-discrimination) among shareholders will be ensured, in particular, by making an offer to all shareholders to purchase shares. The equal treatment procedure need not be observed in the following cases:

- In paragraph e) above, the proposed authorization first provides that the Executive Board, in accordance with § 186 (3) sentence 4 AktG and with the Supervisory Board's consent, may sell the treasury shares, subject to the exclusion of shareholders' preemptive rights, in a manner other than on the stock market or by way of an offer to all shareholders, provided that the treasury shares are sold against a cash payment and at a price that is not significantly below the applicable stock market price. With respect to a possible discount of the stock market price according to the market conditions prevailing at the time of the sale, the Executive Board shall seek to calculate the discount as low as possible. This authorization may be exercised only up to an amount representing 10% of the registered share capital existing at the time this authorization was granted or - if this value is lower - at the time this authorization is exercised. Shares, which are issued under a different authority to issue shares or warrant-linked bonds/convertible bonds while excluding preemptive rights pursuant to § 186 (3) sentence 4 AktG, will be credited towards the aforementioned threshold. In compliance with § 186 (3) sentence 4 AktG, the shareholders' interest in avoiding a dilution of their share value will taken into account thereby. Moreover, as a result of the fact that the placement price of the new shares is close to the stock market price, each shareholder will have an opportunity to acquire the shares necessary to preserve its percentage shareholding at virtually the same market conditions. Placement of the shares subject to the exclusion of preemptive rights in accordance with § 186 (3) sentence 4 AktG will permit the Company to take advantage of favorable market situations quickly and at very short notice and, by fixing the price in accordance with the market situation, to secure better financial conditions than if preemptive rights were granted.

- The draft resolution in f i) provides that while excluding the pre-emptive rights of the shareholders and in compliance with the Company's existing stock option program (Management Incentive Plan (MIP) III), up to 1,360,000 shares of the Company's treasury stock shall be transferred to members of the Company's Executive Board and to members of governing bodies of the enterprises affiliated with it and up to 358,000 shares of the Company's treasury stock shall be transferred to employees (*Arbeitnehmern*) of the Company and of its affiliated enterprises. The performance targets of MIP III were already met in fiscal year 2010.

The Plan provides for an alternative: a cash payment or the delivery of shares. In this respect and in each case, a strike price totaling EUR 24.12 will be due, and the plan participant will receive the difference between that strike price and the then-current stock market price (which is defined by reference to the XETRA

closing price on several trading days prior to exercise). The economic gain will be limited to a maximum share price of EUR 45.00; in other words, it will be limited to EUR 20.88 (gross) per share. Any additional proceeds should be retained by, or distributed to, the Company. The Plan provides for an alternative involving the delivery of shares in exchange for the payment of the strike price or the delivery of a commensurately lower number of shares with no additional payment from the plan participant. The exercise period for the options will end at the expiration of June 30, 2019. The strike price is derived from the average XETRA closing price of the Software AG share on the five trading days prior to the Plan launch.

The 2008 Contingent Capital was originally intended to service the MIP III options. By virtue of the Plan amendment in December 2014, which - on the one hand - prescribed the quantitative cap and - on the other hand and in return - extended the applicable exercise period until June 30, 2019, the 2008 Contingent Capital was rendered obsolete, however, and should therefore be permanently deleted. Since the Company currently holds its own treasury shares and since the servicing of stock options using treasury shares also helps to avoid accounting volatility, the Supervisory Board and Executive Board recommend authorizing the use of treasury shares to service MIP III.

- The draft resolution in f) ii) provides that, while excluding the preemptive rights of the shareholders, in each case up to 2,500,000 shares of the Company's treasury stock will be transferred to employees (*Arbeitnehmer*) of the Company and its affiliated enterprises and to members of the Company's Executive Board and officers and directors of its affiliated enterprises in compliance with the existing stock option program of the Company, Management Incentive Plan (MIP) IV. The plan conditions of MIP IV specifically provide for: a revenue-based performance target, which calls for doubling the revenues generated with new products by fiscal year 2015 compared to fiscal year 2010 and which prescribes that the annual revenues generated with the new products equal at least €450 million in the year that that target is attained. The software market has been undergoing a rapid transformation for a few years which is being driven by four big trends, "the Cloud", "social media", "big data" and "mobile". Specifically in connection with offering software in the Cloud, the concept of Software-as-a-Service (SaaS) is gaining significance. Revenues from this business, which follows different licensing models, should be afforded comparable weight in order to incentivize the sale of such products and services.

The Executive Board may set other performance targets or other details about the implementation. In the event that the performance targets are met, the program provides alternatively either for payment in cash or the delivery of shares. In each case, the strike price will be EUR 41.34, and the beneficiary will receive the economic difference to the current share price (which is defined by reference to the XETRA closing price on several trading days prior to exercise). The economic benefit is limited to a maximum share price of EUR 55.00; i.e. to EUR 13.66 (gross) per share. Any greater sales proceeds should be kept by or

returned to the Company. The plan alternatively provides for the delivery of shares in return for payment of the strike price or the delivery of a correspondingly lower number of shares without additional payment by the beneficiary.

In light of the fast-moving transformation of the software market, the Executive Board believes that the foregoing performance targets closely address the challenges facing Software Aktiengesellschaft and its growth strategy. Achieving the performance targets will safeguard the Company's future.

Since highly qualified employees as well as officers and directors, above all, view their participation in the Company's success through stock options as an interesting supplement to their job remuneration, the Executive Board is convinced that stock options are an important tool for motivating the employees who are relevant to achieving the strategic corporate goals. The harmonization of the strategic goals and the performance targets will stimulate goal-oriented value growth in the interest of the enterprise.

To the extent that the authority should be exercised *vis-à-vis* members of the Company's Executive Board with respect to the shares to be offered to them for purchase or to be transferred to them, the Supervisory Board alone has the authority in conformity with the rules of competency and authority under company law; the foregoing shall also apply with respect to stipulating further details about the implementation or additional performance targets.

- The draft resolution in f iii) provides that treasury shares should be offered for purchase and transferred to employees (*Arbeitnehmern*) of the Company and of its affiliated enterprises and to members of the Executive Board of the Company and members of the managing directorships of its affiliated enterprises in compliance with stock option programs which the Shareholders' Meeting may in the future approve pursuant to § 193 (2) no. 4 AktG. Before any such use is made, details regarding this authorization shall be provided on the basis of the stock option program.

- The Executive Board should also be authorized under paragraph g) above, with the Supervisory Board's consent, to sell the treasury shares while excluding the shareholders' preemptive rights, to the extent that such measures are required to acquire companies, company divisions and/or investment holdings in companies or as part of corporate combinations. The Executive Board should be thereby put in a position in certain appropriate cases to use the Company shares as consideration. Thus, in addition to the existing possibility of utilizing the authorized capital, the Company should also have the flexibility to react swiftly and effectively to advantageous offers or to opportunities that present themselves for merging enterprises, or acquiring enterprises, parts of enterprises or interests in enterprises or to comply with legal obligations or other ensuing requirements to deliver shares in connection with the corporate acquisitions or

mergers while avoiding a dilution of the shareholders' interests. The Company does business in the market for developing system software, which is influenced primarily by US competition. On the US market, the acquisition of enterprises or holdings is frequently accomplished not by paying cash, but rather by exchanging shares. This type of transaction should also be available to the Company. The authority to resell treasury shares is intended to allow the Company to exploit these opportunities. In competing with other companies in the same industry, which also have the option of using shares as their "acquisition currency", this new flexibility serves to maintain and increase the competitiveness and size of the Company's own portfolio. In addition, the prospect of furnishing shares as consideration for the acquisition of enterprises or interests in enterprises can prove to be a more beneficial form of financing for the Company than the use of cash, since payments with shares protects liquidity, and are therefore in the shareholders' best interests. . The Company currently also has authorized capital available for the acquisition of enterprises, parts of enterprises or interests (§ 5 paragraph 5 of the Articles of Association). Decisions concerning the nature of the share acquisition are made by the Executive Board with the Supervisory Board's consent. In this respect, the Executive Board and the Supervisory Board are guided solely by the interests of the shareholders and of the Company. The Executive Board will report to the Shareholders' Meeting in each case.

- Moreover, under paragraph h) above, the Company is supposed to have the authority to provide the Company with the option of using its own shares to service the subscription rights of the holders of warrants or convertible bonds that are issued by the Company or by a direct or indirect wholly-owned subsidiary of the Company. Thus, instead of delivering shares from conditional capital, the Company's own (i.e., treasury) shares may also be used as an alternative in order to service the subscription rights under these bonds. The authority covers all cases in which Company shares must be delivered pursuant to the option or bond terms and conditions, i.e., not only when option or conversion rights are exercised, but also when delivery is made in order to discharge option or conversion duties or when the Company exercises its election. A delivery may also be made in those cases in which the bond terms and conditions prescribe or allow for the delivery of shares under the applicable anti-dilution rules. In this event, the delivery of the Company's treasury shares avoids diluting the shareholders' ownership interests, which would otherwise occur if a delivery were made from conditional capital, and is therefore also in the shareholders' interests. Decisions concerning the delivery of own shares or the use of the conditional capital are made by the Executive Board and the Supervisory Board, taking into account solely the interests of the Company and the shareholders at the relevant time.

- The Executive Board is further authorized under paragraph i) above, without any additional resolution required from Shareholders' Meeting, to cancel - also in numerous incremental steps - all or some of the Company's treasury shares, which were purchased on the basis of paragraph a) above or on the basis of previously granted authority. The cancellation may be made, even without a

reduction in capital, by modifying the *pro rata* amount of the other no-par value shares in the Company's registered share capital. In that case, the Executive Board will be authorized to make amendments to the Company's Articles of Association regarding the number of no-par value shares. In this connection, the Executive Board should also be authorized to make the necessary adjustment to the information in the Articles of Association about the number of no-par value shares.

Cancellation of treasury shares, either with or without a capital reduction, will mean that each shareholder's percentage in the registered share capital will increase because either the registered share capital will decrease or the theoretical nominal value per share will rise.

- Paragraph j) above is intended to prescribed that the authorizations to acquire and use the Company's treasury shares, either in whole or in part (in the latter case, multiple times), may be exercised not only by the Company but also by its affiliated Group companies or by third parties for their account or the Company's account. Furthermore, the Company's own shares should be allowed to be purchased in furtherance of one or more of the purposes set forth in the authorization.

The Executive Board report, which must be issued pursuant to § 71 (1) no. 8 sentence 5 in combination with § 186 (4) sentence 2 AktG to the Shareholders' Meeting and which is reprinted here in its entirety, can be downloaded from the following Company website beginning on the date the notice for the Shareholders' Meeting is officially published: <http://www.softwareag.com/hauptversammlung>.

9. Authorization to use derivatives in connection with acquiring the Company's own shares pursuant to § 71 (1) no. 8 of the German Stock Corporation Act

To supplement the authority to acquire its own shares pursuant to § 71 (1) no. 8 AktG, which is subject to a resolution vote under item 8 of this Agenda, the Company should be authorized to purchase its own shares using derivatives as well.

Executive Board and Supervisory Board recommend adopting the following resolution:

Under the authority for acquiring the Company's own shares, which is subject to a resolution vote under item 8 of this Agenda, the shares may be acquired not only by the means described there, but also by using put or call options or forward contracts (*Terminkaufverträgen*). The Company may sell physically settled put options to third parties and may purchase call options from third parties, if the option terms and conditions guarantee that such options will result in the delivery of shares which themselves were purchased in compliance with the principle of equal treatment. All share purchases using put or call options

are thereby limited to shares, which constitute no more than 5% of the registered share capital existing at the time that the shareholder resolution regarding such authorization is adopted. The term of options must be selected such that the acquisition of shares in exercise of such options takes place no later than May 12, 2020.

The consideration for the purchase of a share (excluding any incidental purchasing costs, but including the option premium that was received or paid), which is agreed to in the event that the put option is exercised or which is stipulated in the forward contract, may not exceed or fall below, by more than 10%, the average listed price of the Company's shares - non-weighted average closing price of the shares as quoted on the Xetra trading system of the Frankfurt Stock Exchange or a comparable successor system - on the five trading days prior to the execution of the relevant option transaction. Call options may be exercised only if the consideration for the purchase of a share (excluding any incidental purchasing costs, but including the option premium that was received or paid) does not exceed or fall below, by more than 10%, the average listed price of the Company's shares - non-weighted average closing price of the shares as quoted in the Xetra trading system of the Frankfurt Stock Exchange or a comparable successor system - on the five trading days prior to the exercise of the option. The rules stipulated under item 8 of this Agenda apply to the sale and cancellation of shares, which are acquired by using derivatives.

Executive Board's report pursuant to § 71 (1) no. 8 sentence 5 in conjunction with § 186 (3) sentence 4 and (4) sentence 2 of the German Stock Corporation Act relating to item 9 on the Agenda

The Company is authorized under item 8 of the Agenda to acquire its own shares. This authority is supplemented by the possibility under Agenda Item 9 to complete the acquisition using derivatives.

The use of put or call options or forward contracts when acquiring the Company's own shares affords the Company the opportunity to optimize a buy-back. As the separate restriction to 5% of the registered share capital illustrates, it is intended to complement the stock buy-back tool, but at the same time meant to expand its deployment possibilities. To that end, the term of the options must be selected such that upon their exercise, the stock acquisition can be carried out by no later than the expiration of the authority under Agenda Item 8; namely, on May 12, 2020. Both the requirements for structuring the options and the requirements for the shares eligible for delivery upon option exercise shall ensure that the acquisition using derivatives satisfies the principle of equal treatment of shareholders.

The rules stipulated in item 8 of the Agenda shall apply to the sale and cancellation of shares, which are purchased using derivatives. Reference is made to the comments in the report of the Executive Board regarding item 8 of this Agenda.

10. Election to the Supervisory Board

The Supervisory Board is currently set up pursuant to §§ 96 (1), 101 (1) AktG, § 1 (1), § 7 (1) sentence 1 no. 1 of the Co-determination Act and § 9 of the current Articles of Association of Software AG, and is composed of twelve members, whose regular term of office ends upon the termination of this Annual Shareholders' Meeting.

Based also on § 97 (2) sentence 3 AktG, the office of the present members of the Supervisory Board shall terminate on May 13, 2015 as a result of the change in the composition of the Supervisory Board pursuant to the provisions of the One-third Employee Participation Act.

Upon the conclusion of this Shareholders' Meeting, the Supervisory Board shall be assembled pursuant to §§ 96 (1), 101 (1) AktG, § 1 (1) sentence 1 no. 1, § 4 (1) of the One-third Employee Participation Act and § 9 of the Articles of Association of Software AG in the amended version as per the resolution adopted by the Shareholders' Meeting of May 13, 2015 regarding Agenda Item 7, and should be composed of six members. However, the amendment to the Articles of Association shall not take effect until it is recorded in the Commercial Register, and therefore the election of the members of the Supervisory Board shall take effect subject to the condition precedent that this amendment to the Articles of Association is formally registered.

The Supervisory Board recommends electing

- Dr. Andreas Bereczky, Production Manager ZDF, residing in Eschweiler,
- Ms. Eun-Kyung Park, Managing Director of ProSiebenSat.1 TV Deutschland GmbH, residing in Munich,
- Mr Alf Henryk Wulf, Chairman of the Executive Board of ALSTOM Deutschland AG, residing in Stuttgart, and
- Mr. Markus Ziener, Executive Board member and Head of the foundation, Vermögensverwaltung Software AG-Stiftung, residing in Seeheim-Jugendheim.

to serve as the Supervisory Board members of the shareholders on the Supervisory Board, in each case subject to the condition precedent of recording the amendment to the Articles of Association, as it was adopted on May 13, 2015 by resolution of the Shareholders' Meeting in regards to Agenda Item 7, for a term ending with the conclusion of the Shareholders' Meeting in which a resolution is adopted to ratify the acts of the Supervisory Board members for the fourth fiscal year following the start of their terms of office.

At the time at which the Shareholders' Meeting is called, the abovementioned persons are members of the following additional supervisory board which are required by law to be formed:

- Dr. Andreas Bereczky:
Member of the Supervisory Board of GFT Technologies AG, Stuttgart
- Ms. Eun-Kyung Park
None
- Mr Alf Henryk Wulf
Chairman of the Supervisory Board of ALSTOM Power GmbH, Mannheim,
Chairman of the Supervisory Board of ALSTOM Transport Deutschland GmbH,
Salzgitter,
Chairman of the Supervisory Board of ALSTOM GmbH, Mannheim,
Member of the Supervisory Board of ALSTOM Boiler Deutschland GmbH,
Stuttgart,
- Mr. Markus Ziener:
Chairman of the Supervisory Board of Birken AG, Niefern-Öschelbronn

They are members of comparable management committees of the following domestic and foreign commercial enterprises:

- Dr. Andreas Bereczky:
None
- Ms. Eun-Kyung Park
Member of the Supervisory Board of ad pepper media International N.V.,
Amsterdam
- Mr Alf Henryk Wulf
None
- Mr. Markus Ziener:
None

Mr. Markus Ziener is an employee of Software AG-Stiftung. Software AG-Stiftung is a shareholder of the company holding a material interest of more than 10 percent of the voting shares of the company (see section 5.4.1 of the German Corporate Governance Code as of June 24, 2014). In the event of his election by the Shareholders' Meeting, Dr. Andreas Bereczky will run for Chairman of the Supervisory Board.

11. Resolution on setting compensation for the Supervisory Board members pursuant to § 14 of the Articles of Association

The Executive Board and the Supervisory Board believe that results-oriented compensation of the Supervisory Board no longer makes sense based on the evolving understanding of the role of the Supervisory Board. In the view of the Executive Board and the Supervisory Board, the supervisory duties of the Supervisory Board should be exercised as a rule independently of the performance goals of the company. The Executive Board and Supervisory Board

feel that this view is confirmed by the change in the recommendation in Sec. 5.6.4 (2) of the German Corporate Governance Code in 2012. Previously, the German Corporate Governance Code recommended that the members of the Supervisory Board should receive results-oriented compensation. Today, the Corporate Governance Code provides solely for the possibility of results-oriented compensation for members of the Supervisory Board.

The previous compensation structure for members of the Supervisory Board was adopted by resolution of the Shareholders' Meeting on May 21, 2010. The Shareholders' Meeting of May 4, 2012 modified the fixed compensation and the result-based compensation of the members of the Supervisory Board.

The Executive Board and the Supervisory Board recommend setting the compensation of the Supervisory Board members as follows:

- (a) The members of the Supervisory Board shall receive fixed annual compensation in the amount of € 60,000.
- (b) The Chairman of the Supervisory Board shall receive double, and every Deputy Chairman shall receive one-and-a-half times the compensation in paragraph (a) above.
- (c) Furthermore, the members of the Supervisory Board shall receive an attendance fee of € 1,500 for each personal attendance at face-to-face meeting of his/her committees. Only one attendance fee will be paid for several meetings of a single committee held on the same day, or for a meeting which takes place over consecutive days. The attendance fee for committee chairs is € 2,500.
- (d) The compensation as per paragraph (a) above for Supervisory Board members who have been members of the Supervisory Board for only part of the fiscal year will be paid on a *pro rata* basis.
- (e) The Company may take out liability insurance for the benefit of the members of the Supervisory Board, which will cover the statutory liability from activities of the Supervisory Board.
- (f) Expenses shall not be reimbursed at a flat rate.
- (g) The compensation set forth in paragraph (a) above will be due and payable one week after the Supervisory Board - or, if applicable, the Shareholders' Meeting has approved the annual financial statements for the compensation year . If the Supervisory Board member pays value-added tax, then this value-added tax will be reimbursed.
- (h) This provision shall be effective as of January 1, 2015.

Requirements for participation in the Annual Shareholders' Meeting and the exercise of voting rights:

Only shareholders - whether in person or through a proxy - who register with the Company by no later than 12 midnight (24.00) on May 6, 2015 and who can prove their right to participate - will be entitled to attend the Annual Shareholders' Meeting and exercise their right to vote.

The registration is required to be in "text form" (as defined under § 126b of the German Civil Code ("BGB")); it must be in German or English. As proof of the right to participate at the meeting, a confirmation of share ownership, either in German or English, issued in "text form" (as defined in § 126b of the German Civil Code) by the custodial bank will suffice. The proof of share ownership must be based on the relevant shareholding as of the start of the day (12.00 am / 00.00) on April 22, 2015 ("Voting Record Date") and must likewise be received by the Company at the following address no later than 12 midnight (24.00) on May 6, 2015:

Software Aktiengesellschaft
c/o PR IM TURM HV-Service AG
Römerstraße 72 - 74
68259 Mannheim

or by Fax: +49 621 7177213

or by Email: eintrittskarte@pr-im-turm.de

In relation to the Company, only persons who have provided the proof will be permitted as shareholders to vote at the meeting. A shareholder's right to participate and the number of votes he or she has will be based solely on his or her shareholdings on the Voting Record Date. The Voting Record Date has no bearing on whether or not the shareholding can be sold either in whole or in part. Even if all or part of the shareholding is sold after Voting Record Date, the only dispositive day for purposes of determining the right to participate and the number of voting rights will be the shareholder's ownership interest on the Voting Record Date; i.e. any sale of shares after the Voting Record Date will have no impact on the right to participate or on the number of votes the shareholder has. The same rule applies to the acquisition of shares following the Voting Record Date: these shares shall not entitle the purchaser to any participation or voting rights. The option for granting the purchaser such authority shall remain unaffected thereby. The Voting Record Date has no significance with respect to dividend rights.

Once the registration and proof of share ownership is received by the Company, the shareholders entitled to participate at the meeting will be sent admission cards for the Annual Shareholders' Meeting. We would ask the shareholders or their proxies to bring the admission cards with them to the Annual Shareholders' Meeting and to present them at the security check-in. They will thereby simplify the registration procedure for the Annual Shareholders' Meeting. We would also ask the shareholders to submit their registration and proof of share ownership as early as possible.

Proxy:

A voting right may be exercised by an agent (a so-called “proxy”). The requirement of the timely registration and transmittal of the proof of shareholding as required in accordance with the provisions set forth above remains unaffected thereby. If the shareholder authorizes more than one person, then the Company may deny admission to one or more of these persons.

The grant of power of attorney, its revocation and the evidence of proxy authority must be provided to the Company in text form as defined by German law. With respect to granting powers of attorney to financial institutions, shareholder associations or other persons or institutions deemed comparable thereto within the meaning of § 135 AktG and the revocation of such powers, as well as the corresponding proof owed to the Company, the applicable statutory provisions, particularly § 135 AktG, shall apply together with any special rules that might apply for certain types of proxies. With respect to any such form requirement, we would ask our shareholders to coordinate with their respective proxies.

Proof of any granted proxy authorization may also be provided by having the proxy present the power of attorney to the security personnel on the day of the Annual Shareholders' Meeting. The proof may also be sent via mail or via facsimile. The address where proof of the granted authorization should be sent along with the fax number (collectively "Proxy Recording Address") is:

Software Aktiengesellschaft
c/o PR IM TURM HV-Service AG
Römerstraße 72 - 74
68259 Mannheim

Fax: +49 621 7177213

Proof of proxy authorization may also be sent *via* electronic communication through the Company's website, <http://www.softwareag.com/hauptversammlung>.

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

Shareholders, who would like to authorize a proxy, are requested to use the proxy form, which the Company has made available for this purpose. It will be sent to the duly registered persons together with the admission cards and may also be downloaded from the Company's website, <http://www.softwareag.com/hauptversammlung>. It may also be requested by sending a letter, either by regular mail or facsimile, to the above-referenced Proxy Recording Address.

The Company also offers its shareholders, even prior to the Annual Shareholders' Meeting, an opportunity to authorize an agent (proxy), who is appointed by the

Company and is bound by the instructions given to him or her, to represent them when votes are taken. These 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 there are no clear instructions about how to vote on a specific agenda item, then the proxy 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 proxy appointed by the Company cannot accept any orders for requests to speak, to submit objections to resolutions of the Annual 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) and may be made as follows:

- In advance of the Annual Shareholders' Meeting, proxies and voting instructions to the proxies appointed by the Company may be granted or revoked on or before 12 midnight (24.00) on May 12, 2015 with notice sent to the aforementioned Proxy Recording Address or using the electronic authorization and instruction system at <http://www.softwareag.com/hauptversammlung>. 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 proxy are included in each admission and voting card (or ballot); they may also be requested by sending the request *via* regular mail or facsimile to the Proxy Recording Address or by downloading them from the Company's website, <http://www.softwareag.com/hauptversammlung>.

Live Internet broadcast of the Annual Shareholders' Meeting

Any Software AG shareholders and interested members of the public may listen, live online, to the speeches given by the Chairman of Supervisory Board, the Chairman of the Executive Board (Chief Executive Officer or "CEO"), and the Chief Financial Officer (or "CFO") on the day of the Annual Shareholders' Meeting starting at 10:00 am on May 13, 2015: <http://www.softwareag.com/hauptversammlung>.

Rights of the Shareholders:

1. Supplement to the agenda

Any motions to supplement the agenda pursuant to § 122 (2) AktG must be received by the Company at the above specified proxy address on or before 12 midnight (24.00), on April 12, 2015:

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

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

Each shareholder has the right to submit a counter-motion at the Annual Shareholders' Meeting challenging the proposals made by the Executive Board and/or Supervisory Board on an item on the agenda.

Any shareholder counter-motions regarding any item on the agenda within the meaning of § 126 (1) AktG, which the Company receives in text form at the above-referenced Proxy Recording Address or by email to hv_softwareag@pr-im-turm.de on or before 12 midnight (24.00) on April 28, 2015, will be made available without undue delay to shareholders on the Company's website: <http://www.softwareag.com/hauptversammlung>.

More extensive explanations regarding the counter-motions pursuant to § 126 (1) AktG and their preconditions and regarding reasons which, under § 126 (2) AktG, would not necessitate the publication of the counter-motion on the Internet, will be available on the Company's website: <http://www.softwareag.com/hauptversammlung>.

3. Shareholder nominations pursuant to § 127 AktG

Each shareholder has a right to nominate the Supervisory Board members and the annual financial statement auditors at the Shareholders' Meeting. The selection of the annual accounts auditor is listed in Agenda Item 5, and the selection of Supervisory Board members is listed in Agenda Item 10.

Any shareholder nominations pursuant to § 127 AktG, which the Company receives in text form at the above-referenced Proxy Recording Address or by email to hv_softwareag@pr-im-turm.de on or before 12 midnight (24.00) on April 28, 2015, will be made available without undue delay to shareholders on the Company's website: <http://www.softwareag.com/hauptversammlung>.

More extensive explanations regarding the nominations pursuant to § 127 AktG and their preconditions and regarding reasons which, under sentence one of § 127 AktG in connection with § 126 (2) AktG, would not necessitate the publication of a nomination and its reasoning on the Internet, will be available on the Company's website: <http://www.softwareag.com/hauptversammlung>.

4. Shareholders' rights to information

According to § 131 (1) AktG, the Executive Board will be required to disclose information about the Company's affairs if requested by a shareholder at the Shareholders' Meeting on May 13, 2015, provided that such information is required for a suitable assessment of the item on the agenda.

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

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

This Notice of the Annual 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: <http://www.softwareag.com/hauptversammlung>. These materials will also be available during the Annual Shareholders' Meeting on May 13, 2015.

Supplemental information disclosure pursuant § 30b (1) sentence 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 € 86,943,945 and is divided into 86,943,945 no par shares. Unless, in any given case, the statutory grounds for suspending a voting right exist, each no-par share will have one vote at the Annual Shareholders' Meeting. At the time that the Notice of the Annual Shareholders' Meeting is officially published (Record date: March 27, 2015), the Company holds 8,025,101 of its own shares (treasury shares) within the meaning of §§ 71 *et seq.* AktG, which shares do not entail any rights for the Company (as prescribed in § 71b AktG), including voting rights; the Company is also not aware of any reasons for suspending voting rights. Based on the information available to the Company as of the date of this notice (Record date: March 27, 2015), the total number of voting rights, which may be exercised at the 2014 Annual Shareholders' Meeting, is therefore 78,918,853.

This Notice of the Annual Shareholders' Meeting was published in the Federal Law Gazette on March 31, 2015.

Darmstadt, March 2015

Software Aktiengesellschaft

The Executive Board

Information regarding requests pursuant § 125 AktG:

Please address your requests directly to PR IM TURM HV-Service AG, which is acting on our behalf in this matter. Contact details are PR IM TURM HV-Service AG, Attn: Ms. Krämer, Römerstraße 72-74, 68259 Mannheim, Telefax + 49 (0)621 709907.