

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
Tuesday, May 31, 2016 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, 2015 and the approved consolidated financial statements per December 31, 2015 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 para. 4, 315 para. 4 of the German Commercial Code (“HGB”), as well as the report of the Supervisory Board for fiscal year 2015.**
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>) beginning on the date the notice for the Shareholders' Meeting is officially published. 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 using the non-appropriated balance sheet profits (*Bilanzgewinn*) for fiscal year 2015 in the amount € 87,192,869.77 as follows:

Payment of a dividend in the amount of € 0.55 per bearer share on the registered share capital entitled to dividends for 76,231,631 dividend-entitled shares	€ 41,927,397.05
Profit carried forward	€ 45,265,472.72
<hr/> Non-appropriated balance sheet profits	<hr/> € 87,192,869.77

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 April 11, 2016 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, with the amount of dividend per dividend-entitled share remaining the same.

3. Resolution on ratifying the actions of the Executive Board members for fiscal year 2015

The Executive Board and Supervisory Board recommend ratifying the actions taken by the 2015 members of the Executive Board for fiscal year 2015.

4. Resolution on ratifying the actions of the Supervisory Board members for fiscal year 2015

The Executive Board and Supervisory Board recommend ratifying the actions taken by the 2015 members of the Supervisory Board for fiscal year 2015.

5. Appointment of the annual financial statements auditor for fiscal year 2016

Based 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 auditor (*Abschlussprüfer*) of the Company and of the corporate group for fiscal year 2016.

6. Resolution to create authorized capital with the option of excluding the preemptive rights and to amend the Articles of Association accordingly

The authorization granted in the General Shareholders' Meeting of May 5, 2011 to increase the registered share capital by € 43,074,091 has not been utilized and will lapse at midnight on May 4, 2016. Therefore, new authorized capital should be created and the Articles of Association amended accordingly.

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

- a) Section 5 para. 3 of the Articles of Association shall be deleted.
- b) The Executive Board shall be authorized, on or before May 30, 2021 and subject to the consent of the Supervisory Board, to increase the registered share capital either once or multiple times by up to a total of € 39,500,000 by issuing new no-par-value bearer shares in return for cash and/or non-cash (in-kind) contributions (Authorized Capital). In so doing, the number of shares must be increased in the same ratio as the registered share capital. The shareholders shall be granted a preemptive right to subscribe shares. The new shares may also

be underwritten by one or more banks or by enterprises deemed equivalent to such banks pursuant to § 186 para. 5, sentence 1 of the AktG, subject to the obligation that such shares are offered for subscription to the shareholders of the Company. The Executive Board may, however, exclude the preemptive right of the shareholders in the following listed cases:

- (1) The Executive Board is authorized, subject to the consent of the Supervisory Board, to exclude fractional amounts from the preemptive rights of the shareholders.
- (2) The Executive Board is authorized, subject to the consent of the Supervisory Board, to exclude the shareholders' preemptive rights in cases of capital increases in return for non-cash capital contributions, if the non-cash capital contribution is made for the purpose of acquiring companies, divisions of companies and/or holdings in companies or in connection with business combinations.
- (3) The Executive Board is authorized, subject to the consent of the Supervisory Board, to exclude the preemptive right in cases of capital increases in return for cash contributions to the extent necessary to grant to owners of option rights or convertible rights under warrant bonds or convertible bonds which were issued by Software AG or a wholly-owned direct or indirect subsidiary of Software AG, or owners of option rights or conversion rights under which Software AG is obligated following the merger of IDS Scheer AG into Software AG, a subscription right to new shares to the extent to which they would be entitled as shareholders after exercising the option or conversion right or after fulfillment of the option or conversion obligation.
- (4) The Executive Board is authorized, subject to the consent of the Supervisory Board, to exclude the preemptive rights in cases of capital increases in return for cash contributions, if the capital increases approved on the basis of this authorization do not exceed in their entirety a total of 10% of the registered share capital as it exists either at the time of the adoption of the resolution by the General Shareholders' Meeting or - if this amount is lower - at the time of the relevant exercise of the authorization, and if the issue value is not significantly lower than the stock exchange price. The maximum limit of 10 % of the registered share capital shall be reduced by the *pro rata* amount of the registered share capital which is allotted to those treasury shares of the Company that are sold during the term of the Authorized Capital to the exclusion of the shareholders' preemptive rights pursuant to §§ 71 para. 1 no. 8 sentence 5, 186 para. 3 sentence 4 AktG. The maximum limit shall be reduced further by the *pro rata* amount of the registered share capital which is allotted to those shares that must be issued at most in order to service warrant bonds or convertible bonds containing option or conversion rights or duties, provided that the bonds are issued during the term of the Authorized Capital to the exclusion of the preemptive rights under the *mutatis mutandis* application of § 186 para. 3 sentence 4 AktG.

The sum of the shares issued pursuant to this authorization to the exclusion of the preemptive rights in return for cash and non-cash contributions may not

exceed a *pro rata* share of the registered share capital of € 7,900,000 (corresponding to 10% of the current registered share capital). The Executive Board is authorized, subject to the consent of the Supervisory Board, to determine the additional details of the capital increase and the terms and conditions of the stock issue.

- c) At the end of section 5 of the Articles of Association of the Company, the following new paragraph shall be inserted:

“The Executive Board is authorized, on or before May 30, 2021 and subject to the consent of the Supervisory Board, to increase the registered share capital either once or multiple times by up to a total of € 39,500,000 by issuing new no-par value bearer shares in return for cash and/or non-cash (in-kind) capital contributions (Authorized Capital). In so doing, the number of shares must be increased in the same ratio as the registered share capital. The shareholders shall be granted preemptive rights. The new shares may also be underwritten by one or more banks or by enterprises deemed equivalent to such banks pursuant to § 186 para. 5 sentence 1 of the AktG, subject to the obligation that such shares are offered for subscription to the shareholders of the Company. However, the Executive Board may exclude the preemptive rights of the shareholders in the following listed cases:

- (1) The Executive Board is authorized, subject to the consent of the Supervisory Board, to exclude fractional amounts from the preemptive rights of the shareholders.
- (2) The Executive Board is authorized, subject to the consent of the Supervisory Board, to exclude the shareholders’ preemptive rights in cases of capital increases in return for non-cash capital contributions, if the non-cash capital contribution is made for the purpose of acquiring companies, divisions of companies and/or equity interests in companies or made in connection with business combinations.
- (3) The Executive Board is authorized, subject to the consent of the Supervisory Board, to exclude the preemptive rights in cases of capital increases in return for cash contributions to the extent necessary to grant to owners of option rights or convertible rights under warrant bonds or convertible bonds which were issued by Software AG or a wholly-owned direct or indirect subsidiary of Software AG, or owners of option rights or conversion rights under which Software AG is obligated following the merger of IDS Scheer AG into Software AG, a preemptive right to new shares to the extent to which they would be entitled as shareholders after exercising the option or conversion right or after fulfillment of the option or conversion obligation.
- (4) The Executive Board is authorized, subject to the consent of the Supervisory Board, to exclude the preemptive rights in cases of capital increases in return for cash contributions if the capital increases approved on the basis of this authorization do not exceed a total of 10% of the registered share capital, as it exists either at the time of the adoption of the resolution by the General Shareholders’ Meeting or - if this amount is lower - at the time

of the relevant exercise of the authorization and provided that the issue value is not significantly lower than the stock exchange price. The maximum limit of 10% of the registered share capital shall be reduced by the pro rata amount of the registered share capital which is allotted to those treasury shares of the Company that are sold during the term of the Authorized Capital to the exclusion of the shareholders' preemptive rights pursuant to §§ 71 para. 1 no. 8 sentence 5, 186 para. 3 sentence 4 AktG. The maximum limit shall be reduced further by the pro rata amount of the registered share capital which is allotted to those shares that must be issued at most in order to service warrant bonds or convertible bonds containing option or conversion rights or duties, provided that the bonds are issued during the term of the Authorized Capital to the exclusion of the preemptive rights under the mutatis mutandis application of § 186 para. 3 sentence 4 AktG.

The sum of the shares issued pursuant to this authorization to the exclusion of the preemptive right in return for cash and non-cash contributions may not exceed a pro rata share of the registered share capital of € 7,900,000. The Executive Board is authorized, subject to the consent of the Supervisory Board, to determine the additional details of the capital increase and the terms and conditions of the stock issue.”

- d) The Supervisory Board is authorized to amend the language of section 5 of the Articles of Association of the Company to accord with the scope of the relevant capital increase from the Authorized Capital and to do so after the expiration of the authorization period.

Report of the Executive Board to the General Shareholders' Meeting pursuant to § 203 para. 2 sentence 2 AktG in connection with § 186 para. 4 sentence 2 AktG regarding Item 6 of the Agenda

The previous authorization to increase the registered share capital (Authorized Capital), which was not utilized, will lapse at midnight on May 4, 2016. Pursuant to the resolution under Agenda Item 6, a new authorization will be created which shall be in effect for a term of five years from the date of the General Shareholders' Meeting. The proposed authorization would enable the Executive Board to adjust the equity capitalization of the Company to a greater extent in accordance with business and legal requirements. It is planned to generally grant a preemptive right to the shareholders when exercising the authorization. In so doing, the new shares may also be underwritten by one or more banks or by entities deemed equivalent to banks pursuant to sentence 1 of § 186 para. 5 AktG, subject to the obligation that they offer them for subscription to the shareholders (indirect subscription right within the meaning of § 186 para. 5 AktG). Intermediary banks would simply facilitate the processing of the stock issue from a technical perspective. However, the Executive Board should be authorized to exclude the shareholders' preemptive right in the following cases:

- The Executive Board should be authorized, subject to the consent of the Supervisory Board, to exclude any fractional amounts from the preemptive rights of the shareholders. The purpose of this is to be able to produce a practical subscription ratio with respect to the amount of the relevant capital increase. This will facilitate the processing of subscription rights and will save additional expense.
- The Executive Board should further be authorized, subject to the consent of the Supervisory Board, to exclude the shareholders' preemptive rights in capital increases for the purpose of business combinations or for the acquisition of companies, divisions of companies and/or equity interests in companies. This includes combinations with other companies, to the extent that the combination is carried out by issuing new shares in return for a non-cash contribution for the purpose of acquiring companies, divisions of companies or equity interests in companies. The acquisition of equity interests may involve investments of any size. The Executive Board should thereby be enabled to utilize shares of the Company as consideration in suitable cases. The Company should have the option to quickly and successfully react to favorable offers or opportunities that arise to merge with or acquire other companies or to acquire divisions of companies or equity interests in companies. The Company is involved in the market for system software development in which most of the competition is in the United States. In the United States, the acquisition of companies or equity interests is often not executed in exchange for cash, but rather by way of a stock swap. This transaction form should also be available to the Company.

The prospect of raising capital in exchange for non-cash capital contributions - an opportunity that was the very aim of the authorization - seeks to exploit these opportunities. In light of the industry competition with other companies that also have the opportunity to use their shares as "acquisition currency," the aforementioned authorization serves to maintain and increase the competitiveness and the expansion of the Company's portfolio. The opportunity to transfer shares in pursuit of acquiring companies, divisions of companies or equity interests in companies or in the context of corporate mergers can also prove to be a form of financing for the Company that is more favorable than cash, because it protects liquidity, and can therefore also be in the interest of the shareholders. The Executive Board and the Supervisory Board will check carefully in each case whether the exclusion of the preemptive right is necessary for this purpose and whether the value of the company, divisions of a company or equity interest is adequately proportionate to the value of the new shares of the Company. At present, there are no specific acquisition plans for which the Authorized Capital would be used.

- The Executive Board should further be authorized, subject to the consent of the Supervisory Board, to exclude the preemptive rights in cases of capital increases in return for cash contributions for the benefit of holders of option rights or convertible rights from warrant bonds or convertible bonds which were

issued by Software AG or a wholly-owned (100%) direct or indirect subsidiary of Software AG, or holders of option rights or conversion rights under which Software AG is obligated following the merger of IDS Scheer AG into Software AG. In so doing, the holders of option rights or conversion rights should be viewed as if the right had already been exercised. The exclusion of the preemptive right for the benefit of the holders of previously issued conversion and option rights has the benefit that any other possibly required reduction of the conversion or option price for the previously issued conversion rights or option rights based on the option terms or bond terms is not required and thereby a higher influx of funds could potentially be facilitated.

- In addition, the Executive Board should be authorized to exclude the preemptive right of the shareholders, subject to the consent of the Supervisory Board, in any capital increase for cash, if the capital increase for cash does not exceed 10% of the registered share capital, as it exists either at the time of the adoption of the resolution by the General Shareholders' Meeting or - if this amount is lower - at the time of the relevant exercise of the authorization (factoring in any possible exercise of other authorizations to sell treasury shares or issue warrant bonds or convertible bonds to the exclusion of the preemptive rights pursuant to § 186 para. 3 sentence 4 AktG) and provided that the issue value is not significantly lower than the stock exchange price. Any such capital increase for cash to the exclusion of the preemptive rights pursuant to § 186 para. 3 sentence 4 AktG enables the Company to exploit favorable market conditions quickly and on very short notice and to achieve better financial conditions by setting the issue price "close to market". It would not be possible to set conditions close to market and to have an unobstructed placement while at the same time still maintaining the preemptive right. Although § 186 para. 2 AktG permits the subscription price to be published up to three days prior to the expiration of the subscription period, in view of the frequently observed volatility in the stock market, a market risk still persists for several days, which in turn leads to risk discounts when setting the issue price and thereto to terms and conditions that are not close to the market. Also, a successful placement with third parties is put at risk or could produce additional expenses when there is a preemptive right because of the uncertainty regarding the exercise of that right (subscription behavior). Finally, when granting a preemptive right, the Company cannot react quickly to changes in market conditions due to the length of the subscription period, but rather is subject to declining share prices during the subscription period, which can lead to unfavorable funding for the Company.

This form of capital increase should thus enable the Executive Board to carry out the necessary increase of equity capitalization for future business development on optimal terms and conditions through the flexible exploitation of favorable market conditions. When using the authorization, the Executive Board will assess the issue price so that it is not significantly lower than the stock exchange price, and any possible discount from the stock exchange price shall be calculated to be as low as possible according to the prevailing market

conditions at the time of the final fixing of the issue price. By taking such steps and by limiting the amount covered to 10 % of the registered share capital, allowance is made for the shareholders' interests in having anti-dilution protection in accordance with § 186 para. 3 sentence 4 AktG and the shareholders' loss of influence is mitigated. Any shareholders, who wish to preserve their percentage shareholding in the case of a capital increase carried out to the exclusion of the preemptive rights, will have the opportunity to acquire the requisite number of shares on the open stock market.

- The sum of the shares issued pursuant to this authorization to the exclusion of the preemptive right in return for cash and non-cash capital contributions may not exceed a *pro rata* share of the registered share capital of € 7,900,000 (corresponding to 10% of the current registered share capital). This limitation establishes a corresponding cap on the exclusion of preemptive rights, thereby limiting the possible dilution of shareholders whose preemptive rights are excluded.

There are currently no specific plans to utilize the proposed authorization. The Executive Board shall report to the General Shareholders' Meeting on every use of the Authorized Capital.

7. Authorization to acquire and to use the Company's own shares as well as to exclude preemptive rights of the shareholders

The existing authority, which was granted on May 13, 2016 by the Shareholders' Meeting in order to allow the Company to acquire its own shares, expires as of May 12, 2020. By approving the 2015 stock buyback program, the Executive Board exercised this authority inasmuch as a total of 2,712,513 shares were purchased in fiscal year 2015 at an average price of EUR 25.81 per share (excluding incidental purchasing costs) and hence, at a total price of EUR 70 million. This amount represents 3.43 percent of the Company's registered share capital. Since this purchase exhausted some of the authorization, this authorization should be renewed and extended in order for the Company, in turn, to be able to buy back its own shares to the extent covered by the authorization. After the options under the Management Incentive Plan IV have expired at midnight on December 31, 2015 without compensation pursuant to the option terms, the opportunities for using the repurchased (treasury) shares should as a whole be regulated anew. The Executive Board and Supervisory Board recommend revoking the current authorization to acquire the Company's own shares and granting new authority to acquire the Company's own shares, and recommend that this new authorization also prescribes new rules as a whole related to 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 30, 2021. The authority, which was approved by the Shareholders' Meeting on May 13, 2015, 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 para. 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 para. 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 employees and 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 1,683,500 MIP III options held by plan participants, and of that amount, 1,350,000 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 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 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 para. 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 para. 1 no. 8 sentence 5 in connection with § 186 para. 3 sentence 4, (4) sentence 2 AktG relating to item 7 on the Agenda

By virtue of the proposed authorization, the Company will be placed in a position to acquire, on or before May 30, 2021, 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. The authority granted by the 2015 Shareholders' Meeting exists until May 12, 2020. Nevertheless, during the Shareholders' Meeting on May 31, 2016, new authority should be created and the current authority cancelled. This will afford

the Company an opportunity to acquire its own shares for another five years in the amount of up to 10% of the registered share capital. After the options under the Management Incentive Plan IV have expired at midnight on December 31, 2015 without compensation pursuant to the option terms, the opportunities for using the treasury shares, as approved under the authorization of May 13, 2015, should as a whole be regulated anew. The Executive Board made use of the authority granted at the 2015 Shareholders' Meeting by launching the 2015 stock buyback program. Using the authority granted at the 2015 Shareholders' Meeting, the Company purchased 2,712,513 shares at an average price of EUR 25.81 per share (excluding incidental purchasing costs) for a total price of EUR 70 million. This amount represents 3.43 percent of the Company's registered share capital. In fiscal year 2015, a total of 25,300 of the Company's own shares were used to fulfill the share-based remuneration program MIP III.

Under the new authorization, 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 para. 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 para. 3 sentence 4 AktG, will be credited towards the aforementioned

threshold. In compliance with § 186 para. 3 sentence 4 AktG, the shareholders' interest in avoiding a dilution of their share value will be 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 para. 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 preemptive rights of the shareholders and in compliance with the Company's existing stock option program (Management Incentive Plan (MIP) III), up to 1,350,000 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 333,500 shares of the Company's treasury stock shall be transferred to employees of the Company and of its affiliated enterprises. The performance targets of MIP III were already met in fiscal year 2010.

The Plan allows for a cash payment or, in the alternative, 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 was therefore permanently deleted upon resolution adopted at the 2015 Shareholders' Meeting and the corresponding amendment to the Articles of Association. 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 continued use of treasury shares to service MIP III.

- The draft resolution in f ii) provides that treasury shares can be offered for purchase and transferred to employees 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 and fulfillment of stock option programs which the Shareholders' Meeting may in the future approve pursuant to § 193 para. 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' ownership 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 protect liquidity, and are therefore in the shareholders' best interests. The Executive Board and the Supervisory Board suggest deciding on the creation of a new authorized capital for (amongst other purposes) the acquisition of enterprises, parts of enterprises or interests under item 6 of the agenda. 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 para. 1 no. 8 sentence 5 in combination with § 186 para. 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>.

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

To supplement the recommended authorization to acquire its own shares pursuant to § 71 para. 1 no. 8 AktG, which is subject to a resolution vote under item 7 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 7 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 (*Terminkaufverträge*). 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 the options may not exceed 18 months and must be selected such that the acquisition of shares upon exercising such options takes place no later than May 30, 2021.

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 7 of this Agenda apply to the sale and cancellation of shares, which are acquired by using derivatives.

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

The Company is authorized under item 7 of the Agenda to acquire its own shares. This authority is supplemented by the possibility under Agenda Item 8 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 may not exceed 18 months and 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 7; namely, on May 30, 2021. 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 7 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 7 of this Agenda.

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 24, 2016 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 May 10, 2016 ("Voting Record Date") and must likewise be received by the Company at the following address no later than 12 midnight (24.00) on May 24, 2016:

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 (§ 126b of the German Civil Code ("BGB")). 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 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 and the fax number (collectively "Proxy Recording Address") are:

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 under § 126b of the German Civil Code ("BGB")) 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 30, 2016 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>.

Rights of the Shareholders:

1. Supplement to the agenda

Any motions to supplement the agenda pursuant to § 122 para. 2 AktG must be received by the Company at the above specified proxy address on or before 12 midnight (24.00), on April 30, 2016:

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

2. Shareholder motions pursuant to § 126 para. 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 para. 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 May 16, 2016, 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 para. 1 AktG and their preconditions and regarding reasons which, under § 126 para. 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 Supervisory Board members and the annual financial statement auditors at the Shareholders' Meeting, to the extent that the selection and election of the financial statement auditors and the Supervisory Board members is slated for a vote. The selection of the annual accounts auditor is listed in Agenda Item 5.

Any shareholder nominations pursuant to § 127 AktG, which the Company receives in text form (as defined by German law under § 126b of the German Civil Code ("BGB")) at the above-referenced Proxy Recording Address or by email sent to hy_softwareag@prim-turm.de on or before 12 midnight (24.00) on May 16, 2016, 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 para. 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: <http://www.softwareag.com/hauptversammlung>.

4. Shareholders' rights to information

According to § 131 para. 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 31, 2016, 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 para. 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 31, 2016.

Supplemental information disclosure pursuant § 30b para. 1 sentence 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 € 79,000,000 and is divided into 79,000,000 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

79,000,000. At the time that the Notice of the Annual Shareholders' Meeting is officially published (Record date: April 11, 2016), the Company holds 2,768,369 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. After deducting the Company's treasury shares, the number of voting shares is therefore 76,231,631 based on the information available to the Company as of the date of this notice (Record date: April 11, 2016).

This Notice of the Annual Shareholders' Meeting was published in the Federal Law Gazette on April 12, 2016.

Darmstadt, April 2016

Software Aktiengesellschaft

The Executive Board