



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 17, 2017 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, 2016 and the approved consolidated financial statements per December 31, 2016 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 2016. 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 (<https://www.softwareag.com/agm>) 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 2016 in the amount € 139,097,106.44 as follows:

Payment of a dividend in the amount of € 0.60 per bearer share on the registered share capital entitled to dividends for 76,107,811 dividend-entitled shares	€ 45,664,686.60
Profit carried forward	€ 93,432,419.84
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Non-appropriated balance sheet profits	€ 139,097,106.44

The recommendation on the use of non-appropriated balance sheet profits takes account of the treasury shares that are not entitled to dividends and that were held by the Company as of the date on which the Executive Board and Supervisory Board adopted the resolution (as of March 14, 2017).

The number of shares entitled to dividends may decrease up until the date of the Annual Shareholders' Meeting by the amount by which the Company acquires more of its own shares. In that case, a revised recommendation on the use of the non-appropriated balance sheet profits 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 2016

The Executive Board and Supervisory Board recommend ratifying the actions taken by the 2016 members of the Executive Board for fiscal year 2016.

4. Resolution on ratifying the actions of the Supervisory Board members for fiscal year 2016

The Executive Board and Supervisory Board recommend ratifying the actions taken by the 2016 members of the Supervisory Board for fiscal year 2016.

5. Appointment of the annual financial statements auditor for fiscal year 2017

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 2017.

6. Resolution on converting bearer shares into registered shares and making the corresponding amendments to the Articles of Association

Under the German Stock Corporation Act, the shares of a stock corporation take the form of either registered shares or bearer shares. Both forms are prevalent in Germany. Since the enactment of the 2016 amendment to the Stock Corporation Act, that law now considers registered shares to be the rule. To date, the Company's shares have been in the form of bearer shares.

The Executive Board and the Supervisory Board recommend converting the shares, which had been previously held in bearer form, into registered shares. With registered shares, only those shareholders who are entered in the share registry (*Aktienregister*) as registered shareholders will be recognized by the Company as shareholders. If the Company's shares are henceforth registered (in the name of the respective shareholders), then the Company can more easily determine who its shareholders are. This change will make it easier for the Company to contact its shareholders. For purposes of converting the Company shares into registered shares, the Articles of Association must be amended as proposed below.

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

a) The no par value bearer shares, which exist at the time that the amendment to the Articles of Association is adopted in accordance with b) below, shall be converted into registered shares while retaining the present denomination of shares.

b) aa) The wording of Paragraph 5 (1) of the Articles of Association will be amended in its entirety as follows:

“The registered share capital is € 76,400,000.00.

It is divided into 76,400,000 no par value registered shares. If, in connection with a capital increase, the resolution calling for the increase does not specify whether the new shares should be in bearer or registered form, then these new shares will be issued in registered form. The shareholders must disclose to the Company for recordation in the share registry the information required by law; electronic mail addresses and any changes thereto should always be provided in order to simplify the communication.”

bb) The wording of Paragraph 17 (1) of the Articles of Association will be amended in its entirety as follows:

“The entitlement to participate at the Annual Shareholders’ Meeting and to exercise the right to vote shall be based on the entry recorded in the share registry. The right to participate and vote at the Annual Shareholders’ Meeting will also require a timely meeting registration. The Company must receive the meeting registration at the address, which is disclosed for this purpose in the official notice convening the meeting, at least six days prior to the Annual Shareholders’ Meeting. The official notice convening the meeting can provide for a shorter deadline period (measured in days) for the meeting registration. The meeting registration must be made in text form (*Textform*); it must be prepared in either German or English.”

cc) In Paragraph 5 (2) of the Articles of Association, the words “no par value bearer shares” will be replaced by the words “no par value registered shares”.

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

The tasks of the Supervisory Board members and the demands in the professional preparation for, execution of, and follow-up work on the Supervisory Board meetings are requiring ever greater time commitments. Over the years, the role of the Audit Committee and the workload of its members have also constantly expanded as a result of legislative measures and evolving management practices. In the same manner, the ongoing dialogue between the Supervisory Board Chairman and the Executive Board (above all, the communication with the Executive Board Chairman even between meetings), which is recommended under sec. 5.2, para. 3 of the German Corporate Governance Code, has garnered increasing importance. The Executive Board and Supervisory Board believe this ongoing communication is vital and valuable. The expanding workload of the Supervisory Board has prompted the Executive Board and Supervisory Board to analyze current and relevant comparative data on Supervisory Board

remuneration, which has led to the conclusion that in light of the Company's earnings strength and its excellent financial condition, an adjustment to the Supervisory Board compensation and specifically to the factor for calculating the compensation of the Supervisory Board Chairman would be appropriate.

The Executive Board and Supervisory Board therefore believe it is necessary to adjust the annual fixed compensation of the Supervisory Board members by 10% and to adjust the factor for computing the compensation of the Supervisory Board Chairman from 2.0 to 2.2. Moreover, the Supervisory Board and the Executive Board recommend setting the committee meeting attendance fee at € 2,000 for a committee member and € 4,000 for the committee chairperson.

The Executive Board and 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 € 66,000.
- (b) The Chairman of the Supervisory Board shall receive 2.2 times, and every Deputy Chairman 1.5 times, the compensation stated in subparagraph (a) above.
- (c) Furthermore, the members of the Supervisory Board shall receive an attendance fee of € 2,000 for each personal attendance at a 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 € 4,000.
- (d) The compensation as per subparagraph (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 for the benefit of its Supervisory Board members a liability insurance policy that covers the statutory liability arising from activities of the Supervisory Board.
- (f) Expenses shall not be reimbursed at a flat rate.
- (g) The compensation 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, 2017.

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 10, 2017 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 26, 2017 ("Voting Record Date") and must likewise be received by the Company at the following address no later than 12 midnight (24.00) on May 10, 2017:

Software Aktiengesellschaft
c/o Computershare Operations Center
80249 Munich, Germany

or via fax: +49 89 30903 74675

or via email: anmeldestelle@computershare.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 Computershare Operations Center
80249 Munich, Germany

fax: +49 89 30903 74675

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

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, <https://www.softwareag.com/agm>. 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 16, 2017 with notice sent to the aforementioned Proxy Recording Address or using the electronic authorization and instruction system at <https://www.softwareag.com/agm>. 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 <https://www.softwareag.com/agm>.

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 on or before 12 midnight (24.00) on April 16, 2017. The address to which the motions to supplement should be sent and the facsimile number (collectively referred to as "Shareholder Motion Address") are:

Software Aktiengesellschaft
c/o Computershare Operations Center
Elsenheimerstraße 61
80687 Munich, Germany

fax: +49 89 30903 333

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 <https://www.softwareag.com/agm>.

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 Shareholder Motion Address or by email to gegenantraege@computershare.de on or before 12 midnight (24.00) on May 2, 2017, will be made available without undue delay to shareholders on the Company's website: <https://www.softwareag.com/agm>.

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: <https://www.softwareag.com/agm>.

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 Shareholder Motion Address or by email to gegenantraege@computershare.de on or before 12 midnight (24.00) on May 2, 2017, will be made available without undue delay to shareholders on the Company's website: <https://www.softwareag.com/agm>.

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: <https://www.softwareag.com/agm>.

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 17, 2017, 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: <https://www.softwareag.com/agm>.

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

This official 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: <https://www.softwareag.com/agm>. These materials will also be available during the Annual Shareholders' Meeting on May 17, 2017.

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 € 76,400,000 and is divided into 76,400,000 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 76,400,000. As of March 31, 2017, the Company holds 909,798 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 75,490,202 based on the information available as of March 31, 2017.

This Notice of the Annual Shareholders' Meeting was published in the Federal Law Gazette on April 5, 2017.

Darmstadt, April 2017

Software Aktiengesellschaft

The Executive Board

This document is a convenience translation of the German original. In the event of any conflict or inconsistency between the English and the German versions and for purposes of interpretation, the German original shall prevail.