

Declaration of Conformity from the Management Board and Supervisory Board of Software AG, Darmstadt, relating to the German Corporate Governance Code as required under sec. 161 of the German Stock Corporation Act

The Management Board and Supervisory Board hereby declare that in fiscal year 2013 (January 1 through December 31, 2013), the recommendations made by the Government Commission of the German Corporate Governance Code in the version of the Code dated May 15, 2012 for the period of January 1, 2013 through June 9, 2013 were applied and are being applied without limitations and that in fiscal year 2013 the recommendations made by that body in the Code version dated May 13, 2013 for the period of June 10, 2013 through December 31, 2013 were applied and are being applied subject to the exceptions described below. The Management Board and Supervisory Board add the following explanation:

Sentence 3 of paragraph 2 of Code section 4.2.2 pronounces a new recommendation that when setting the total remuneration (compensation) of Management Board members, “the Supervisory Board shall consider the relationship between the compensation of the Management Board and that of senior management and the staff overall, particularly in terms of its development over time. The Supervisory Board shall determine how senior managers and the relevant staff are to be differentiated.”

The Supervisory Board defines the relevant senior management as the members of Software AG’s Group Management Board, and considers the relevant staff to be the staff in Germany. At the next review of the Management Board remuneration, which is not scheduled until in the summer of 2014 when the current 2013 comparative figures will become available, the Supervisory Board will consider the relationship of the remuneration of such groups of persons together with its development over time so that conformity with this recommendation can be declared.

Under sentence 6 of paragraph 2 of section 4.2.3, the Code likewise provides a new recommendation that “the amount of compensation shall be capped, both overall and for individual compensation components.”

With respect to the short-term variable remuneration, the current contracts with Management Board members provide for a percentage cap that is based on the respective target amounts, from which a quantitative cap can be calculated. The long-term, stock-based remuneration (PPS and MIP) is not capped. Thus, the current Management Board member contracts also provide no cap for the overall remuneration.

In view of the principle of contractual fidelity [Vertragstreue], a retroactive interference in such contracts is both inappropriate and unenforceable for the company. The Management Board and Supervisory Board are also of the opinion that the Code does not demand any modification of existing contracts. The plan is to implement the Code recommendation for new Management Board member contracts.

Another new Code recommendation set forth in paragraph 3 of subsection 4.2.3 provides that “[f]or pension schemes, the Supervisory Board shall establish the level of provision aimed for in each case - also considering the length of time for which the individual has been an Management Board member - and take into account the resulting annual and long-term expense for the company.”

With regard to the pension commitments under the current Management Board member contracts, the level of provision aimed for is tied to the duration of the Management Board member’s tenure of service. On any future pension commitments, the Supervisory Board will also take into account the company’s ensuing annual and long-term expense so that conformity with respect to this recommendation can be declared.

Sentence 2 of paragraph 3 of new Code section 4.2.5 recommends that for fiscal years beginning after December 31, 2013, the remuneration (compensation) report should present additional information using the model tables provided. The Management Board and Supervisory Board have agreed that this form of presentation should be made for the first time for fiscal year 2014 so that conformity can be declared.

Darmstadt, January 30, 2014

Software AG

Management Board

Supervisory Board

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