

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 2014 (January 1 through December 31, 2014), the recommendations made by the Government Commission of the German Corporate Governance Code in the versions of the Code dated May 13, 2013 and June 24, 2014 were applied and are being applied subject to the exceptions described below. The Management Board and Supervisory Board add the following explanation:

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

With respect to the long-term, stock-based remuneration (PPS and MIP) caps have been implemented. These caps are 200 % of the average issue price for PPS, EUR 45.00 for each MIP III option and EUR 54.00 for each MIP IV option. Therefore the current programs and the Board members’ employment contracts had to be amended. That necessitated concessions concerning the program design, as the participants would not have agreed to such a contract amendment otherwise.

In return for the imposition of caps on all three components of the stock-based compensation, the TecDAX adjustment of the PPS, due at the end of 2016, is omitted. The term of the MIP III was extended by three years until June 30, 2019 and the extra exercise threshold of MIP IV of 60.00 EUR - without changing the exercise price of 41.34 EUR – was deleted. At least the latter is, in the opinion of the Supervisory Board and the Management Board of the Company, a retroactive change of a performance target. Such a retroactive change should be impossible under the Code (section 4.2.3 paragraph 2 sentence 8). The Supervisory Board therefore had to weigh, which deviation from the Code's recommendations weighs heavier and has considered the introduction of cap amounts for each remuneration component and the total compensation to be of more importance. Hence also limits to the total remuneration of Board members have been introduced; however a deviation from section 4.2.3 paragraph 2 sentence 8 has to be declared for the elimination of the exercise threshold in the MIP IV of 60.00 EUR.

The newly adopted Management Incentive Plan (MIP V) has only one performance target, namely the increase in the price of the shares of the Company by 30 % within a period of three years; in the third year the share price must achieve this performance target for the duration of at least ten consecutive days. The Management Board and Supervisory Board are of the opinion that further operational business goals are combined in this performance target, but as a precaution a deviation from section 4.2.3 paragraph 2, sentence 7 is declared.

Darmstadt, February 2, 2015

Software AG

Management Board

Supervisory Board

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