

**Declaration of Conformity by 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 2015 (January 1 through December 31, 2015), the recommendations made by the Government Commission of the German Corporate Governance Code in the versions of the Code dated June 24, 2014 and May 5, 2015 were applied and are being applied subject to the exceptions described below. The Management Board and Supervisory Board add the following explanation:

(a) Under sentence 6 of paragraph 2 of section 4.2.3 the Code recommends, that “[...] variable compensation components shall be related to demanding, relevant comparison parameters”, followed by the recommendation of sentence 7 of paragraph 2 of section 4.2.3 that “[c]hanging such performance targets or the comparison parameters retroactively shall be excluded.”

The recently (December 2015) concluded Management Incentive Plan (MIP 2016) only takes one performance target into account, namely the increase of share prices of the corporation up to at least 30,00 Euro within a period of three years, under the condition that the share price has to hold this level for at least ten successive days within the third year of the plan term. In this context we precautionary declare an exception from section 4.2.3 paragraph 2 sentence 6.

The previous Management Incentive Plan (MIP V), comprising the possibility of annual assignments, has been terminated. MIP V's performance target was the increase of share prices of 30 % within a period of three years. The new MIP 2016 has been concluded with the performance target aforementioned. In this respect, we precautionary declare an exception from section 4.2.3 paragraph 2 sentence 7. Under the provisions of the MIP 2016 a change of performance targets/comparison parameters is explicitly excluded.

(b) Within section 5.4.2 sentence 1, the Code advises the Supervisory Board to “include what it considers an adequate number of independent members”. During its meeting on February 7, 2013, the Supervisory Board decided that at least six independent members in terms of section 5.4.2 of the Code are supposed to be part of the Supervisory Board. Since the Supervisory Board consisted of twelve members at that time, the settled number equaled 50 % of the members of the Supervisory Board. After completing the status proceedings as defined in § 97 AktG by February 2015, the general meeting of shareholders changed the statutes of the corporation concerning § 9 section 1 to the extent that the number of members of the Supervisory Board has been reduced to six. During its meeting on January 28, 2016 the Supervisory Board has updated the adequate number of independent members in terms of section 5.4.2 to three, yet again equaling 50 % of the members of the Supervisory Board. Concerning the meantime from May 13, 2015 to January 28, 2016, we precautionary declare an exception from section 5.4.2 sentence 1.

Darmstadt, January 28/ 29, 2016

Software AG

Management Board

Supervisory Board

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