

CORPORATE GOVERNANCE

STATEMENT ON CORPORATE GOVERNANCE/ CORPORATE GOVERNANCE REPORT

ALL INFORMATION CONTAINED IN THIS STATEMENT ON CORPORATE GOVERNANCE REFLECTS THE SITUATION AS OF FEBRUARY 12, 2013.

BASIC UNDERSTANDING

Good corporate governance is a core component of management at Software AG. The Management Board and the Supervisory Board are committed to it, and all our divisions guide themselves by it. Responsible, qualified and transparent corporate governance focuses on a company's long-term success. It includes both compliance with the law and total adherence to generally accepted standards and recommendations. It focuses on values such as sustainability, transparency and value orientation.

Management Board and Supervisory Board

THE MANAGEMENT BOARD

The Management Board leads the Company with the goal of sustainable value creation. The members of the Board share the responsibility of managing the Company. The guidelines for the work of Software AG's Management Board are elaborated in the Rules of Procedure of the Management Board. Above all, they define the members' individual responsibilities, the tasks assigned to the Board as a whole, adoption of resolutions, and the rights and obligations of the Chairman/Chief Executive Officer. The Management Board of Software AG currently consists of three members: Karl-Heinz Streibich, Arnd Zinnhardt and Dr. Wolfram Jost.

KARL-HEINZ STREIBICH

Born in 1952, degree in communications engineering, Chairman of the Management Board/Chief Executive Officer of Software AG since September 2003. His term is in effect until 2016. In addition to chairing the Group Executive Board, his areas of corporate responsibility include: Corporate Communications, Global Legal, Global Audit, Processes & Quality, Global Partner Management, Corporate Office and Top Management Development.

He is a member of the supervisory board of Dürr AG and, since January 1, 2013, of Deutsche Messe AG. He works on a volunteer basis on the steering committee of the German BITKOM IT association and on the board of the Frankfurt Rhein Main e.V. regional business initiative. He is also co-chairman of the German National IT Summit's working group 3, Innovative State IT Offerings. Mr. Streibich is co-founder of the German Software Cluster and member of the Council of the Economy and Future of the Hessian state government.

ARND ZINNHARDT

Born in 1962, financial auditor and tax advisor, Chief Financial Officer and member of the Software AG Management Board since 2002. In this function he is responsible for Finance, Controlling, Human Resources, Taxes, Treasury, Mergers & Acquisitions, Business Operations, Investor Relations and Global Procurement. He additionally assumed the position of Labor Director of Software AG on December 14, 2010. His term is in effect until 2016.

Mr. Zinnhardt is a member of the advisory board of the Hessian Landesbank (Helaba).

DR. RER. NAT. WOLFRAM JOST

Born in 1962, degree in business administration, member of the Software AG Management Board since August 2010. As Chief Technology Officer, Dr. Jost is responsible for Research and Development. His term is in effect until 2018.

GROUP EXECUTIVE BOARD

The Group Executive Board is an extension of management and enables the Management Board to implement the corporate strategy throughout the entire Company by direct or collaborative channels. The following people left the extended management team in fiscal year 2012: Mr. Jonathan Smith on April 11, 2012, Mr. Paul Orme-Smith at the time of his resignation as President, Americas on June 30, 2012 and Mr. Kamyar Niroumand on July 5, 2012. The following individuals joined the Company: Mr. Tönnies-Hilmar von Donop and Mr. John (Jay) Johnson on July 1, 2012 and Mr. Robin Gilthorpe on September 1, 2012. As of the end of the year under review, the Group Executive Board consisted of nine people including the members of the Management Board and Tönnies-Hilmar von Donop, Mark Edwards, Robin Gilthorpe, John (Jay) Johnson, Darren Roos and Ivo Totev.

For more details on the members of the Group Executive Board and their specific areas of responsibility, please visit www.softwareag.com/corporate/company/people/geb/

SUPERVISORY BOARD

The Supervisory Board appoints monitors and advises the Management Board. The Management Board reports to the Supervisory Board regularly, in a timely manner and comprehensively on the Company's performance, strategy, planning, risk situation, risk management and compliance. The Supervisory Board determines the remuneration of the members of the Management Board in accordance with the proposal of the Committee for Compensation and Succession Issues. It decides on the Management Board's remuneration system and reviews it regularly. The Chairman of the Supervisory Board coordinates the work of the Supervisory Board, leads its meetings and maintains contact with the Chairman of the Management Board between Supervisory Board meetings to discuss the Company's strategy, planning, business performance, risk situation, risk management and compliance. The Chairman of the Management Board informs him without delay of any important events, which are relevant to the assessment of the Company's position and performance and to the leadership of Software AG. Transactions that require the approval of the Supervisory Board are listed in the Rules of Procedure of the Management Board. If necessary, the Supervisory Board meets without the Management Board.

In fiscal year 2012, the following were shareholder representative members to the Supervisory Board: Andreas Bereczky (CEO, production director at ZDF), Willi Berchtold (businessman), Heinz Otto Geidt (director of Asset Management at Software AG Foundation), Hermann Requardt (member of the management board of Siemens AG, CEO of Healthcare, director of Corporate Technology), Anke Schäferkordt (member of the management board of Bertelsmann AG; CEO, RTL Group) and Alf Henryk Wulf (chairman of the board of Alstom Deutschland AG).

The employees of Software AG and its subsidiaries in Germany elected their representatives to the Supervisory Board on August 27, 2010. In the year under review, the following were employee representative members to the Supervisory Board: Peter Gallner (trade union secretary of Vereinte Dienstleistungsgewerkschaft ver.di), Dietlind Hartenstein (employee of Software AG), Monika Neumann (Dep. Chairwoman of the Supervisory Board, employee of SAG Deutschland GmbH and Chairwoman of the Software AG General Works Council), Roland Schley (employee of Software AG), Martin Sperber-Tertsunen (trade union secretary of IG Metall) and Karl Wagner (employee of Software AG).

The guidelines for the work of the Supervisory Board of Software AG are described in the Rules of Procedure of the Supervisory Board. In addition to the duties and powers of the Chairman of the Supervisory Board, they define the structure of meetings, the adoption of resolutions, and the formation of committees. In order to efficiently carry out its duties, the Supervisory Board has four committees in addition to the mandatory Mediation Committee in accordance with the Codetermination Act.

The Committee for Compensation and Succession Issues prepares personnel-related decisions made by the Supervisory Board to the extent that they affect the appointment, reappointment or dismissal of the members of the Management Board. It has four members. The Audit Committee deals with issues related to financial reporting standards, financial auditing, risk management and compliance. The Strategy Committee focuses on the preparation of and success monitoring of acquisitions, partnerships and joint ventures. Both committees each have six members. The Nominating Committee nominates qualified candidates for election to the Supervisory Board by the Annual Shareholders' Meeting. It consists of three shareholder representatives. With the exception of the Nominating Committee, all other committees are composed based on parity.

In the past fiscal year, the Committee for Compensation and Succession Issues met five times, the Audit Committee twice and the Strategy Committee twice. The Nominating Committee did not convene in 2012. The Management Board, Supervisory Board and committees work together closely with the objective of sustainably enhancing Software AG's value.

The members of the Supervisory Board evaluate the efficiency of their work annually. They complete a questionnaire to assess all areas of the Supervisory Board's work. They discuss the results of the annual efficiency audit in detail and, if necessary, agree on measures to increase efficiency.

For more detailed information on the Supervisory Board's work and resolutions, please refer to the most recent Report of the Supervisory Board, which can be found on page 58 et seq. of this Annual Report. For more detailed information on the members of the Supervisory Board and their committee membership, please visit www.softwareag.com/corporate/company/people/svb/

The Supervisory Board defined the following goals for its membership composition: Members should be actively engaged in their careers and should not exceed the age of 65; they should work in the fields of ICT/media or enterprise IT and, as an R&D board member of a large technology company, they should know the needs of medium-sized enterprises or possess in-depth knowledge of financial reporting and/or financial auditing. Moreover, 25 percent of the members should be female; members of the Supervisory Board should be familiar with the requirements and duties associated with the two-tier governance structure of German Stock Corporation Law. The composition of the Supervisory Board reflects these goals.

The terms of those members of the Supervisory Board elected on May 21, 2010 will end upon completion of the 2015 Annual Shareholders' Meeting, where the actions of the Board in fiscal year 2014 will be ratified. The Supervisory Board will apply the abovementioned guidelines in preparing nominations for those elections—and any other prior elections that may become necessary—as well as conduct regular assessments of the guidelines in the meantime.

Software AG's Supervisory Board determined the number of independent Supervisory Board members as defined in point 5.4.2 of the German Corporate Governance Code dated May 15, 2012 in its meeting on February 7, 2013. As a result, the Supervisory Board of Software AG will have six independent members. This was the case at all times during fiscal year 2012. With respect to this matter, for the period from June 15, 2012 to December 31, 2012, Software AG declared a deviation from point 5.4.1., paragraph 2, sentence 1, 3rd sub-sentence of the German Corporate Governance Code in its declaration of compliance for fiscal year 2012 pursuant to Section 161 of the German Stock Corporation Act (AktG).

Software AG maintains no direct or indirect business relationships with Supervisory Board members. In particular, no mutual consulting agreements or other contracts for work or services exist.

SHAREHOLDERS AND ANNUAL SHAREHOLDERS' MEETING

The Annual Shareholders' Meeting is one of the main corporate bodies, through which shareholders can exercise their rights and their voting rights. Software AG invites its shareholders to participate in its Annual Shareholders' Meeting. Important decisions are made at the meeting, about the ratification of the actions of the Management and Supervisory Boards, election of the Supervisory Board and external auditors, amendments to the Articles of Incorporation, and measures that change the Company's capital. Not least, the shareholders decide on profit distribution. As scheduled in the financial calendar, we inform our shareholders of our business

developments, financial performance, and assets and financial position four times per year. We held our most recent Annual Shareholders' Meeting on May 4, 2012 in Darmstadt. Approximately 67.93 percent of voting shares were present. The next Annual Shareholders' Meeting will convene on May 3, 2013 in Darmstadt. As in past years, the invitation to the Annual Shareholders' Meeting and related documents and information such as the agenda are published on the Software AG website at www.softwareag.com/corporate/inv_rel/annualgenmeeting/

Pursuant to the recommendations of the Corporate Governance Code, we conduct the Annual Shareholders' Meeting in an expedient manner, preferably within a time frame of four hours. To conduct our Annual Shareholders' Meeting efficiently, the chairperson has the option to cut short speakers who stray from the topic at hand and to refer to detailed information already published on the website. Shareholders who do not wish to exercise their voting rights may authorize a member of the Company to vote by proxy in accordance with the shareholder's instructions. Portions of the Annual Shareholders' Meeting will also be broadcast via the Internet. The invitation to the Annual Shareholders' Meeting and related documents and information such as the agenda are published on the Software AG website along with the date of the Meeting. The resolutions adopted by previous shareholders' meetings as well as the quarterly reports of preceding fiscal years can also be found there.

CODE OF BUSINESS CONDUCT AND ETHICS

Software AG established a global code of business conduct and ethics in fiscal year 2011. It is available on Software AG's website at www.softwareag.com/corporate/inv_rel/csr/code_of_conduct/

The code describes Company-wide ethical standards with attention to specific regional aspects. The code is binding for all employees of Software AG and its subsidiaries. The Compliance Board intervenes to make decisions in questionable cases. The board convened to discuss four cases in 2012. In total, Software AG employees addressed the Compliance Board with 27 inquiries in 2012. The Compliance Board consisted of Ms. Christine Schwab (General Counsel), Mr. Frank Simon (Senior Vice President, Audit, Processes and Quality) and Mr. Hanjörg Beger (Senior Vice President, Human Resources) in the year under review.

FINANCIAL REPORTING STANDARDS AND AUDITING

The 2012 Annual Shareholders' Meeting again appointed BDO Wirtschaftsprüfungsgesellschaft, Hamburg, as Company auditor. BDO also advises the Company on individual tax matters in connection with tax returns and tax audits. No business, financial, personal or other relationships that could cast doubt on the independence of the audit firm have existed at any time between BDO, its corporate bodies, or audit managers and Software AG or the members of its corporate bodies.

Pursuant to the Annual Shareholders' Meeting resolution, the Supervisory Board, represented by the Chairman of the Audit Committee, appointed the auditor and agreed on the fee. In connection with the awarding of the contract, the Chairman of the Audit Committee has also agreed with the auditor to comply with the reporting duties pursuant to the German Corporate Governance Code. BDO participates in meetings of the Supervisory Board's Audit Committee concerning the financial statements and consolidated financial statements and reports on key audit findings. The Audit Committee had no doubt as to BDO's independence when it commissioned the firm.

PRIMARY AUDITORS' FEES AND SERVICES

Software AG's general and administrative expenses include expenses for auditors' fees paid to BDO AG, the Group auditor, totaling €822 thousand (2011: €729 thousand). Of this amount, €714 thousand (2011: €639 thousand) relates to the audit of the domestic entities' and the Group's financial statements, €7 thousand (2011: €17 thousand) to tax advisory services, €76 thousand (2011: €72 thousand) to other testation services, and €25 thousand (2011: €1 thousand) to other services (other audit services and audit-related advice).

OPEN AND TRANSPARENT COMMUNICATION

We communicate openly, transparently, comprehensively and in a timely manner with all market participants. In 2012 we further intensified communication with the capital market through participation in numerous investor conferences, road shows and other events for the capital market.

A globally consistent corporate message is required to earn the trust of investors, analysts and journalists. Regulatory bodies and the media review publications and press releases for consistency and to ensure that laws and regulations are upheld. Our communications guidelines define how we handle corporate communication. They are published in the Investor Relations

section of the Software AG website under Corporate Governance. Software AG provides information to investors, analysts and journalists in accordance with standard criteria. This information is transparent for all capital market participants.

The Management Board immediately publishes inside information that affects Software AG, unless, after having met waiver requirements in specific cases, it is exempt from the disclosure requirement. In accordance with legal stipulations, we maintain registries of persons with inside information who have been instructed to maintain confidentiality.

We use a suitable service provider for publicizing mandatory disclosures throughout Europe. In addition, we publish all ad hoc releases in German and English.

We also fully comply with the Act on Electronic Commercial Registers, Registers of Cooperatives, and Business Registers (EHUG), which came into force on January 1, 2007, by sending the operator of the electronic version of the Federal Gazette all documents requiring publication in electronic form as prescribed by the Act.

All ad hoc disclosures, press releases as well as presentations given at press and analysts' conferences and road shows are published promptly to the Investor Relations section of the website of Software AG. The corresponding dates can be found in our financial calendar, which is also published on our website.

Software AG commissions an independent consulting firm to carry out an annual study evaluating how investors and financial analysts perceive our financial communication. Criticism and suggestions provide motivation for further improvement. We received a good grade (1.99 on a scale from one to six, with one being the best) in the most recent survey, which was conducted in September 2012.

Software AG deals with risks and opportunities responsibly, aided by a comprehensive opportunity and risk management process that identifies and monitors all significant risks and opportunities. It is consistently refined and adjusted to correspond to changing conditions. We have presented our risk management concept in the Risk and Opportunity Report of this Annual Report. Opportunities that are strategic to the Company are described in the Outlook section of the Management Report. Please refer to the Notes for information on our consolidated financial reporting.

Changing Voting Shares (Pursuant to Section 26 (1) of the Securities Trading Act (WpHG))

Pursuant to the German Law to Implement Transparency Guidelines (TUG), the threshold for issuing a mandatory disclosure concerning shareholdings in listed companies was reduced to three percent of the voting rights, effective January 20, 2007. In accordance with legislation to improve investor protection and functionality of the capital market (Investor Protection and Functionality Improvement Act—AnISVG) from April 5, 2011, paragraphs 4d and 4e were added to Section 41 of the Securities Trading Act (WpHG). This required holders of financial and other instruments as defined by Section 25a of the WpHG, which, due to their terms, enabled the holder to acquire five percent or more of shares associated with voting shares that had already been issued by an issuer originating in the Federal Republic of Germany, to submit a stock declaration as of February 1, 2012. Shares had to be added together pursuant to Sections 21, 22 and 25 of the WpHG. Moreover, Section 25a was also added to the WpHG, which requires ongoing disclosure when further financial and other instruments are being held. As a result, identification of large shareholders and holders of further financial and other instruments has improved. For further information on Software AG's shareholder structure, please refer to the section on Software AG Stock.

Disclosures on changes to voting shares in fiscal 2012 pursuant to Section 26 (1) of the Securities Trading Act (WpHG) are published on the Software AG website at: www.softwareag.com/publications

DIRECTORS' DEALINGS (PURSUANT TO SECTION 15A OF WPHG)

We also publish the purchase or sale of Software AG shares or related financial instruments, particularly derivatives, by members of our Management and Supervisory Boards and certain other related parties (directors' dealings). As soon as knowledge of these transactions is acquired, they must be posted to our website.

No reportable transactions were announced in the 2012 calendar year.

STOCK OPTION PLANS

For details on our stock option plans and similar equity-based incentive programs, please refer to the complete Remuneration Report in the Management Report on page 127.

SHAREHOLDINGS OF THE MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

Members of the Supervisory Board:	Number of shares
Karl-Heinz Streibich	5,250
Arnd Zinnhardt	25,353
Dr. Wolfram Jost	0
Total	30,603

SUPERVISORY BOARD

The individual shareholdings of the members of the Supervisory Board are as follows:

Members of the Supervisory Board:	Number of shares
Dr. Ing. Andreas Bereczky	0
Willi Berchtold	0
Heinz Otto Geidt	1,600
Hermann Requardt	0
Anke Schäferkordt	0
Alf Henryk Wulf	400
Monika Neumann	708
Peter Gallner	0
Dietlind Hartenstein	0
Karl Wagner	183
Roland Schley	0
Martin Sperber-Tertsunen	0
Total	2,891

Compliance with the German Corporate Governance Code

2012 DECLARATION OF COMPLIANCE PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

On February 7, 2013, the Management and Supervisory Boards of Software AG submitted a declaration of compliance pursuant to Section 161 of the German Stock Corporation Act (AktG). The Company followed all recommendations of the government commission's German Corporate Governance Code dated May 26, 2010 in the period from January 1, 2012 to June 14, 2012. In the period from June 15, 2012 to December 31, 2012, it followed the recommendations of the government commission's German Corporate Governance Code dated May 15, 2012 with the following exception:

Software AG's Supervisory Board determined the number of independent members to be six as defined in item 5.4.2 of the German Corporate Governance Code dated May 15, 2012 in its meeting on February 7, 2013. The Supervisory Board also determined that it had and has at least six independent members as defined by the aforementioned item of the German Corporate Governance Code at all times during the fiscal year and at the time the decision was made.

The Management Board and Supervisory Board intend to fully comply with the Code (dated May 15, 2012) in the future.

Software AG implements the recommendations of the German Corporate Governance Code. Further details can be found under Investor Relations at www.softwareag.com. The current version of the German Corporate Governance Code published by the Commission of the German Corporate Governance Code can be found in English at www.corporate-governance-code.de.