

Takeover-Related Disclosures

Subscribed Capital and Voting Rights

Software AG's share capital totaled €74,000,000 before deducting treasury shares and is divided into 74,000,000 bearer shares. Each share represents €1.00 of the Company's share capital. Each share entitles its holder to one vote. Shareholders can exercise their rights at the Annual Shareholders' Meeting, when they exercise their voting rights in accordance with legal stipulations and the Company's Articles of Association.

Conditional Capital

There was no conditional capital to report.

Authorized Capital

In accordance with the resolution passed at the Annual Shareholders' Meeting on May 31, 2016, there is authorized capital to report. The Management Board is authorized, with the consent of the Supervisory Board, to increase the Company's share capital on one or more occasions until and including May 30, 2021 up to a total of €39,500,000 by issuing up to 39,500,000 new bearer shares against cash contributions or contributions in kind (authorized capital).

Share Buyback

Furthermore, the Company is authorized to purchase treasury shares until and including May 30, 2021, representing up to 10 percent of the existing share capital at the time of the resolution, in order to realize benefits associated with the acquisition of treasury shares in the interest of the Company and its shareholders. Treasury shares may be purchased on the stock market or through a public purchase offer addressed to all shareholders of the Company.

For more information on conditional capital, authorized capital and the acquisition of treasury shares, please refer to [Note \[29\]](#) in the Notes to the Consolidated Financial Statements and to the section on Equity in the Notes to the Balance Sheet in the Notes to the Annual Financial Statements.

Significant Shareholders

The Software AG Foundation, Darmstadt, Germany, holds 32.67 percent of the outstanding shares in Software AG. The foundation is a separate non-profit legal entity and is devoted worldwide to the fields of therapeutic pedagogy, social therapy, education, services to youth and senior citizens, the environment and research. No other shareholders hold more than 10 percent of Software AG's share capital.

Appointment/Dismissal of Management Board Members and Changes in the Articles of Association

Management Board members are appointed and dismissed in accordance with section 84 et seqq. of the German Stock Corporation Act. Any changes in the Articles of Association are voted on at the Annual Shareholders' Meeting by at least a three-fourths majority of the share capital represented at the time of the resolution in accordance with section 179 of the German Stock Corporation Act.

Change of Control

The lenders of Software AG's syndicated credit line in the maximum amount of €300 million are entitled—provided they are not replaced—to decline any new withdrawals if one or more persons acting in concert (except Software AG Foundation, its members or companies controlled by them) obtain more than 50 percent of voting or dividend rights or the right to appoint more than half the members of the Supervisory Board. The relevant lenders are entitled to call any amounts already borrowed (plus interest accrued and any other amounts due) and terminate the credit facility.

With respect to loan agreements with the European Investment Bank in the original amount of €330 million, of which €225 million had been drawn as of December 31, 2020, the bank is entitled to terminate the unused portion of the loan if one or more persons acting in concert obtain more than 50 percent of voting or dividend rights, the right to appoint more than half the members of the Supervisory Board, or

any other comparable controlling influence. Any amounts already borrowed (plus interest accrued and any other amounts due) can also be called prematurely and the credit facility terminated.

A member of the Management Board whose employment is terminated within 12 months of a change of control without good cause will receive a severance payment equal to 1.5 annual salaries based on the most recently agreed annual target remuneration (in four Management Board members' contracts), capped at the amount of the target remuneration for the remaining term of the contract. In case of resig-

nation by a member of the Management Board, the above mentioned policy is not applicable if the position of the Management Board member has only been altered marginally with the change of control.

In the event of a change of control, any stock appreciation rights granted by the Company under Management Incentive Plans 2018 and 2019 must be paid out at fair value to the relevant plan participants within the term of the rights.

Other takeover-related disclosures not mentioned in this section do not apply to Software AG.