

CONVERSION REPORT

**of the Management Board
of RIB Software AG, Stuttgart, Germany,**

pertaining to the conversion

of RIB Software AG

into a

**European company
(Societas Europaea, SE)**

with the company name

RIB Software SE

Convenience Translation

TABLE OF CONTENTS

1.	INTRODUCTION	4
2.	RIB SOFTWARE AG.....	5
2.1.	Registered office/headquarters, business purpose and fiscal year.....	5
2.2.	Structure of the RIB Group	6
2.3.	Business activities and business development.....	6
2.4.	Capital and shareholders	7
2.4.1.	Share capital	7
2.4.2.	Shareholders.....	8
2.5.	Structure of the Company	9
2.5.1.	Corporate bodies.....	9
2.5.2.	German Corporate Governance Code.....	13
2.5.3.	Employees and participation.....	13
3.	KEY ASPECTS OF THE CONVERSION	14
3.1.	Key reasons for the conversion	14
3.2.	Alternatives to the conversion	14
3.3.	Costs of the conversion	14
4.	COMPARISON OF RIB SOFTWARE AG AND RIB SOFTWARE SE	15
4.1.	Introduction	15
4.2.	General regulations	15
4.2.1.	Legal personality.....	15
4.2.2.	Share capital, features of the shares.....	15
4.2.3.	Registered office.....	16
4.2.4.	German Corporate Governance Code (GCGC)	16
4.2.5.	Disclosure obligations	17
4.2.6.	Entry in the Commercial Register.....	17
4.3.	Formation of the Company.....	17
4.4.	Legal relationships of the Company and the shareholders	17
4.5.	Structure of the Company	18
4.5.2.	Managing Directors	24
4.5.3.	General Meeting.....	26
4.6.	Accounting.....	29
4.7.	Measures for the creation and reduction of share capital.....	29
4.8.	Company groups law	29
4.9.	Winding up and declaration of the nullity of the Company	29
4.10.	Transfer of registered office abroad.....	29
5.	PROCEDURAL STEPS OF THE CONVERSION	30
5.1.	Drafting of the Terms of Conversion	30
5.2.	Conversion Report	31
5.3.	Conversion Audit	31
5.4.	Publication	32

Convenience Translation

5.5.	Ordinary General Meeting of RIB Software AG	32
5.6.	Employee involvement procedure	33
5.7.	Entry in the Commercial Register	33
5.8.	Constitution of the first Administrative Board of RIB Software SE and appointment of the Managing Directors	34
5.8.1.	Administrative Board of RIB Software SE	35
5.8.2.	Managing Directors of RIB Software SE	35
6.	EXPLANATION OF THE TERMS OF CONVERSION AND SE STATUTES	35
6.1.	Explanation of the Terms of Conversion	35
6.1.1.	Conversion of RIB Software AG into RIB Software SE (Sections I. and II.).....	35
6.1.2.	Effective Date of the Conversion (Section III.)	36
6.1.3.	Company name, registered office, share capital and Statutes (Section IV.).....	36
6.1.4.	Corporate Bodies of the Company (Section V.).....	37
6.1.7.	Negotiations on employee involvement (Section VIII.).....	41
6.1.8.	Other consequences for the employees and their representation (Section IX.).....	50
6.1.9.	Statutory auditors (Section X.)	51
6.1.10.	Costs (Section XI.).....	51
6.2.	Explanation of the SE Statutes.....	51
6.2.1.	General provisions (Articles 1-3 SE Statutes)	51
6.2.2.	Share capital and shares (Article 4 SE Statutes).....	52
6.2.3.	Single-tier structure, corporate bodies (Article 5 SE Statutes)	53
6.2.4.	Administrative Board (Articles 6-11 SE Statutes)	54
6.2.5.	Managing directors (Articles 12-14 SE Statutes).....	58
6.2.6.	General Meeting (Articles 15-18 SE Statutes).....	59
6.2.7.	Annual financial statements and appropriation of the profits (Articles 19- 20 SE Statutes).....	61
6.2.8.	Final provisions (Articles 21-23 SE Statutes)	62
7.	IMPLICATIONS OF THE CONVERSION.....	62
7.1.	Implications of the conversion for the shareholders.....	63
7.1.1.	Ownership ratios, dividend entitlements.....	63
7.1.2.	Shareholder rights in the General Meeting.....	63
7.1.3.	Resecuritisation of the shares	63
7.1.4.	Continuation of stock exchange listing	63
7.1.5.	Continuation of disclosure obligations under the German Securities Trading Act	64
7.1.6.	Tax implications.....	64
7.2.	Implications of the conversion for employees	64

Convenience Translation

1. Introduction

RIB Software AG is a stock corporation incorporated under German law which has its registered office in Stuttgart and is entered in the Commercial Register of the Local Court of Stuttgart under HRB 20490 (hereinafter also referred to as the “**Company**”).

The Management Board and the Supervisory Board of RIB Software AG propose to the General Meeting that the Company be converted by way of a change in legal form into a European company (*Societas Europaea*, “**SE**”) pursuant to Article 2 (4) in conjunction with Article 37 of (EC) Regulation No 2157/2001 of the Council of 8 October 2001 on the Statute for a European Company (SE) (“**SE Regulation**”) in conjunction with the Act of 22 December 2004 on the Implementation of Regulation (EC) No 2157/2001 of the Council of 8 October 2001 on the Statute for a European Company (“**SE Regulation Implementation Act**”) and in conjunction with the Act on the Involvement of Employees in a European Company of 22 December 2004 (“**SE Involvement Act**”).

The conversion is based on the draft terms of conversion pursuant to Article 37 (4) SE Regulation drawn up by the Management Board and notarised on 12 April 2016 (deed no 407/2016 L of the notary public Dr Rainer Laux, Stuttgart) (“**Terms of Conversion**”). The draft statutes of RIB Software SE have as an annex to the Terms of Conversion been notarised (“**SE Statutes**”).

The Terms of Conversion require the consent and the SE Statutes require the approval of the General Meeting of RIB Software AG (Article 37 (7) SE Regulation) (“**Conversion Resolution**”). The Management Board of RIB Software AG therefore presents the Terms of Conversion and the SE Statutes to the General Meeting, which will be held on 31 May 2016, for the adoption of a resolution on its consent and approval.

Before the decision of the General Meeting one or more independent experts in the meaning of Article 37 (6) SE Regulation appointed by a court (“**Independent Expert**”) certify that the Company has net assets at least equivalent to its capital plus those reserves which must not be distributed under the law or the SE Statutes. The Regional Court of Stuttgart has appointed BW PARTNER Bauer Schätz Hasenclever Partnerschaft mbB Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Stuttgart, as Independent Expert. The Independent Expert has carried out an audit and certified on 13 April 2016 that the net assets required pursuant to Article 37 (6) SE Regulation exist (“**Independent Expert’s Certificate**”).

The conversion of RIB Software AG into RIB Software SE may not pursuant to Article 37 (2) SE Regulation result in the winding up of the Company or in the creation of a new legal person. The participation of the shareholders in the Company therefore continues to exist in unchanged form in RIB SE because there is no change in the legal entity.

The involvement of the employees, i.e. any procedure including information, consultation and participation, via which employee representatives can influence the adoption of resolutions at the Company, is at an SE with its registered office in Germany based on the SE Involvement Act, which transposes Directive 2001/86/EC of the Council of 8 October 2001 supplementing the Statute for

Convenience Translation

a European company with regard to the involvement of employees (“**SE Involvement Directive**”) into German law.

The transposition provisions relating to the SE Involvement Directive also apply to the involvement in RIB Software AG of employees in the other Member States and the Contracting States to the Agreement on the European Economic Area (together the “**Member States**”) in which subsidiaries and business establishments of RIB Software AG have employees.

In the context of the conversion, a procedure governed by the SE Involvement Act pertaining to the involvement of employees is carried out (“**Employee Involvement Procedure**”), in which representatives of the employees from the Member States and the Management Board of RIB Software AG negotiate on an agreement pertaining to the involvement of employees in RIB Software SE (“**Involvement Agreement**”). The employees are represented during this procedure by a special negotiating body. If the special negotiating body and the Management Board of RIB Software AG are until to agree on an Involvement Agreement, a statutory standard rule provided for by law will apply.

The Management Board of RIB Software AG provides for the information of the shareholders the following conversion report pursuant to Article 37 (4) SE Regulation, in order to explain and justify the legal and economic aspects of the conversion and to indicate the implications for shareholders and employees which the conversion from the German legal form of a stock corporation (*Aktiengesellschaft*) into the legal form of an SE (“**Report**”) has. The Report contains information about RIB Software AG, the key aspects of the conversion, a comparison between RIB Software AG and RIB Software SE with particular focus on the legal status of the shareholders, the execution of the conversion, explanations pertaining to the Terms of Conversion and the SE Statutes, as well as the implications of the conversion including any other company law consequences, accounting or tax implications, and the impact of the conversion on the stock exchange listing of RIB Software AG.

2. RIB Software AG

2.1. Registered office/headquarters, business purpose and fiscal year

RIB Software AG has its registered office in Stuttgart, Germany. Its headquarters are also located there. It is entered in the Commercial Register of the Local Court of Stuttgart under HRB 20490. The business address of the Company is Vaihinger Straße 151, 70567 Stuttgart, Germany.

The business purpose of RIB Software AG according to its Articles of Association is the development, production and sale of EDP programs and the sale of the associated hardware, including maintenance, the development, production and marketing of technology and trading platforms, in particular for the construction industry and associated industries as well as the management of companies active in these areas, the acquisition and retention of interests of all kinds, in particular for the purpose of financial investment and central management of associated companies (in the form of a holding) as well as the investments in projects that use or promote the technologies and products developed by the Company (cf. Article 2 (1) of the Articles of

Convenience Translation

Association of RIB Software AG, “**AG Articles of Association**”). The Company is entitled to found, acquire, dispose of and participate in other companies of any kind. The Company is authorised to establish branches. In addition, the Company is authorised to conduct all business which promotes its business purpose. The Company can conclude affiliation agreements (*Unternehmensverträge*), in particular profit and loss transfer and control agreements (cf. Article 2 (2) of the AG Articles of Association).

The fiscal year of RIB Software AG corresponds to calendar year.

2.2. Structure of the RIB Group

RIB Software AG is the parent company of the RIB Group and holds direct or indirect stakes in a total of 34 subsidiaries in Germany and abroad (RIB Software AG together with the subsidiaries hereinafter also referred to jointly as the “**RIB Group**”). The entire operative business of the RIB Group is managed by RIB Software AG.

An overview of the group companies is provided in the attached group diagram.

2.3. Business activities and business development

This Report is limited to a summarised presentation of the business activities of RIB Software AG since these remains unchanged due to the legal entity not being affected by the conversion of the Company into an SE.

The RIB Group is a leading international supplier of company software for the construction industry, plant engineering and infrastructure management. The range of services offers includes the production and sale of software, the provision of advice and training services for implementation products, and professional services.

Averagely 680 employees in the RIB Group generated a sales volume of EUR 82,1 million in the fiscal year 2015. RIB Software AG is responsible for the strategic management of the Group and employs averagely 32 employees.

The business development of RIB Software and the RIB Group in recent years reflects the overall economic development. Sales and earnings of the RIB Group have developed as follows in recent years:

(Amounts in million euros)	2015	2014	2013
Sales revenues	82.1	70.0	57.0
Operating result EBITDA (adjusted)	20.9	25.7	18.5
Consolidated net income	10.5	20.8	9.1
Cash flow from operating	19.4	20.7	16.4

Convenience Translation

(Amounts in million euros)	2015	2014	2013
activities			
Average headcount	680	599	562
Equity ratio	86.3%	85.0%	80.2%
Balance sheet total	331,300	266,200	177,900

Additional information on the business development as well as the earning, assets and financial situation of RIB Software AG and the RIB Group can be found in the Management Report of RIB Software AG and the Consolidated Annual Report for the fiscal year 2015. These documents can be accessed on the Group's website at <http://group.rib-software.com/de/investor-relations/news-publications/financial-reports/2016/>.

2.4. Capital and shareholders

2.4.1. Share capital

The share capital of RIB Software AG is EUR 46,845,657.00. It is divided into 46,845,657 with a par value of EUR 1.00. The shares are registered shares. The shareholders' right to the securitisation of their shares in the Company is excluded (Article 4 (3) of the AG Articles of Association).

The Management Board is pursuant to Article 4 (4) of the AG Articles of Association authorised to increase the share capital of RIB Software AG with the consent of the Supervisory Board by issuing once or several times up to 18,354,784 new registered shares with a par value of EUR 1.00 against cash contributions and/or contributions in kind ("**Authorised Capital 2015**"). The Authorised Capital 2015 contains an authorisation to exclude the statutory subscriptions rights of the shareholders.

The share capital has pursuant to Article 4 (5) of the AG Articles of Association been conditionally increased by a total of EUR 1,548,616.00 by issuing 1,548,616 new registered shares with a par value of EUR 1.00 ("**Conditional Capital 2015/I**"). The Conditional Capital 2015/I was created to grant subscription rights in accordance with the authorisation resolutions of the General Meeting held on 20 May 2011 (in the version of the resolution of the General Meeting of 4 June 2013) ("**Stock Option Program 2011/13**") and of 10 June 2015 ("**Stock Option Program 2015**"). 260,688 shares have been granted on the basis of the Stock Option Program 2011/13 and 210,026 shares have currently been granted on the basis of the Stock Option Program 2015. Additional details relating to the Stock Option Programs 2011/13 and 2015 can be found in Section 6.1.5 of this Report.

Based on the Stock Option Program 2011/13, in 2013 RIB Software AG issued a total of 14,000 "phantom shares" to employees of affiliated enterprises. The phantom shares do not convey any right to the issue or delivery of shares of the Company, but only establish a claim to payment of the beneficiary, which is based in terms of its amount on the market value of the shares which

Convenience Translation

were granted in accordance with the Stock Option Program 2011/13. The terms of the Stock Option Program 2011/13 apply accordingly to the phantom shares, subject to the condition, however, that no actual shares are issued and delivered, but payment is made instead. The phantom shares are therefore not backed by the conditional capital. The form-changing conversion does not have any effect on the phantom shares. The terms of the payments which have to be made based on the issue of phantom shares are, however, after the change in legal form into an SE has taken place based on the share price of RIB Software SE instead of the share price of RIB Software AG.

RIB Software AG is authorised by a resolution of the General Meeting of 24 May 2012 regarding agenda item 7 to acquire and use its own shares pursuant to Sec. 7 (1) No. 8 of the German Stock Corporation Act (*AktG*), also subject to the exclusion of the subscription rights of the shareholders, to an extent of up to a total of 10% of the share capital of the Company which exists at the time the resolution is adopted ("**Authorisation 2012**"). Any acquisition of own shares on the basis of the Authorisation 2012 is only permissible for the period up to 23 May 2017

The Company currently holds 1,200,310 of its own shares, which it acquired on the basis of the Authorisation 2012 pursuant to Sec. 71 (1) No. 8 German Stock Corporation Act (*AktG*). RIB Software AG intends to use the specified own shares in particular for acquisitions (as consideration) and for the Stock Option Program 2015. The Management Board reports in each case on the use of the Authorisation 2012 to the subsequent General Meeting. Such a report addressed to the Annual General Meeting on 31 May 2016 has been given in the notes to the adopted annual financial statements of the Company and the approved consolidated annual financial statements for the fiscal year 2015; reference is made thereto.

2.4.2. Shareholders

The Company is only aware of holdings in RIB Software AG to the extent that these are shown in the share register of the Company or have been communicated to it via a notification of voting rights in accordance with the German Securities Trading Act (*Wertpapierhandelsgesetz – "WpHG"*). According to the Company's knowledge, the shareholders structure on 31 March 2016 can be summarised as follows:

Shareholder	Number of shares	% share of share capital
Thomas Wolf & Family	8,419,989	17.97
Capital Group Companies, Inc.	2,476,356	5.29
Ameriprise Financial, Inc.	2,126,667	4.54
SAP AG	1,859,503	3.97
Hans-Joachim Sander & Family	1,528,220	3.26
Lagoda Investment Management L.P.	1,388,476	2.96

Convenience Translation

Shareholder	Number of shares	% share of share capital
Credit Suisse Fund Management S.A.	1,172,932	2.50
Schroders Investment Management Ltd.	1,278,208	2.73
Henderson Global Investors Limited	1,151,966	2.46
RIB Software AG (Eigene Aktien)	1,200,310	2.56

The remaining share capital is according to the knowledge of RIB Software AG is free float.

The RIB shares are admitted for trading in the Regulated Market with simultaneous admission to the sub-segment of the Regulated Market with additional listing obligations (Prime Standard) on the Frankfurt Stock Exchange. The shares are listed in the TecDAX, an index containing the 30 largest German companies in the technology sector. The RIB shares are also traded on the German stock exchanges Stuttgart, Berlin, Düsseldorf, Hannover, Hamburg and Munich, via the electronic trading platform XETRA of Deutschen Börse AG, Frankfurt am Main, and outside the stock exchange at Tradegate Exchange, Lang & Schwarz and Chi-X.

The securities identification number (*Wertpapierkennnummer* – WKN) for the RIB shares is A0Z2XN and the international securities identification number (ISIN) for the RIB shares is DE000A0Z2XN6.

2.5. Structure of the Company

The corporate bodies of the Company are the Management Board, the Supervisory Board and the General Meeting. Their respective competences are regulated in the German Stock Corporation Act (*AktG*), in the AG Articles of Association and in the applicable Rules of Procedure of the Management Board and the Supervisory Board

2.5.1. Corporate bodies

2.5.1.1. Management Board

The Management Board manages the business of RIB Software AG under its own responsibility and represents it in and out of court. The Company is in this respect pursuant to Article 6 (1) of the AG Articles of Association represented by two members of the Management Board or by one member of the Management Board together with an authorised representative (*Prokurist*). The Supervisory Board can authorise individual members of the Management Board to represent the Company alone and release them from the restrictions of Section 181 2nd alternative German Civil Code (*Bürgerliches Gesetzbuch* – “**BGB**”), i.e. authorise them to carry out transactions on behalf of the Company with themselves as the representative of a third party.

Convenience Translation

The members of the Management Board of RIB Software AG and their number are in accordance with the AG Articles of Association determined by the Supervisory Board. Pursuant to Article 5 (1) of the AG Articles of Association, the Management Board consists of one or several persons. The Management Board of the Company currently has four members.

The current members of the Management Board are:

Name	Position / Portfolio	First appointed	Additional mandates
Thomas Wolf	Chairman Strategy	24 November 2009	None
Michael Sauer	Member Finance, M&A and Sales Germany	3 November 2000	Managing Director of <ul style="list-style-type: none"> – xTWO GmbH, Hungen, – xTWOmarket GmbH, Hungen, – RIB Cosinus GmbH, Freiburg, – RIB Deutschland GmbH, Stuttgart, – RIB SAA Software Engineering GmbH, Vienna, Austria, and Supervisory Board member of <ul style="list-style-type: none"> – RIB Information Technologies AG, Stuttgart, – RIB Research & Development AG, Stuttgart, – RIB A/S, Copenhagen, Denmark.
Dr Hans-Peter Sanio	Member National and International Business Development	3 November 2000	Member of the Management Board of RIB Research & Development AG, Stuttgart, and member of the Supervisory Board of <ul style="list-style-type: none"> – RIB Information Technologies AG,

Convenience Translation

Name	Position / Portfolio	First appointed	Additional mandates
			Stuttgart, – RIB A/S, Copenhagen, Denmark.
Helmut Schmid	Member Research and Development, Technology Strategy for the entire product portforlio	1 September 2015	None

The members of the Management Board can be contacted at the business address of the Company: Vaihinger Straße 151, 70567 Stuttgart, Germany.

2.5.1.2. Supervisory Board

The Supervisory Board of RIB Software AG appoints the members of the Management Board and supervisory the Management Board's management of the Company.

Pursuant to Article 7 (1) of the AG Articles of Association, the Supervisory Board has six members.

The current members of the Supervisory Board are:

Name	Position	Member since	Practised profession Information according to Section 125 (1) sentence 5 German Stock Corporation Act (<i>AktG</i>)
Sandy Möser	Chairwoman	16 July 2003	Managing Director of Mühl24 GmbH, Hungen, and Mühl24 Baubedarf GmbH, Wetzlar Additional mandates: None
Dr Matthias Rumpelhardt	Member	29 June 2005	Managing Director of Dacapo 2 GmbH, Berlin Additional mandates: None
Klaus Hirschle	Member	9 May 2011	Sales Director Consumer Channels, Alfred Kärcher Vertriebs-GmbH, Winnenden Additional mandates: None
Prof. Martin Fischer	Member	4 June 2013	Professor for Civil and Environmental Engineering at Stanford University, California, USA

Convenience Translation

Name	Position	Member since	Practised profession Information according to Section 125 (1) sentence 5 German Stock Corporation Act (AktG)
			Additional mandates: Chairman of the Supervisory Board of sfirion AG, Munich
Prof. Achim Preiß	Member	4 June 2013	Professor for Architectural History at Bauhaus-University Weimar Additional mandates: None
Steve Swant	Member	10 June 2015	Executive Vice President, Administration and Finance at Georgia Institute of Technology, Georgia, USA Additional mandates: Member of the Executive Committee of the Board of Directors of Midtown Alliance, Atlanta, Georgia, USA

The members of the Supervisory Board can be contacted at the business address of the Company, Vaihinger Straße 151, 70567 Stuttgart, Germany.

The Supervisory Board has in order to carry out its work created two committees, which have the following members:

Name of committee	Members
Audit Committee	Dr Matthias Rumpelhardt (Chairman) Klaus Hirschle Sandy Möser
Nomination and Remuneration Committee	Sandy Möser (Chairwoman) Klaus Hirschle Dr Matthias Rumpelhardt

The Audit Committee is in accordance with the Rules of Procedure responsible, amongst other things, for the monitoring of the accounting process including reporting, the analysis and monitoring of the internal control and financial supervision system and the risk supervision system, the analysis and monitoring of the internal audit system, the review of and compliance with the relevant rules of the German Corporate Governance Code (“**GCGC**”), the monitoring of the work of the auditors of the annual financial statements, in particular their independence, the handling of compliance questions. Pursuant to Sec. 100 (5) German Stock Corporation Act (*AktG*), at least one member of the Audit Committee must have expert knowledge in the areas of financial accounting and the auditing of annual financial statements. The specified requirements

Convenience Translation

relating to independence and expert knowledge are in accordance with the findings of the Supervisory Board met by Dr Matthias Rumpelhardt.

Pursuant to its Rules of Procedure, the Nomination and Remuneration Committee prepares the proposals of the Supervisory Board for the election or appointment of Supervisory Board members by the General Meeting and makes recommendations for the new or re-appointment and dismissal of Management Board members to the Supervisory Board. The Nomination and Remuneration Committee is in addition responsible for the drafting and submission of proposals to the Supervisory Board regarding the remuneration system of the Management Board and regarding service agreement and other contractual regulations.

2.5.2. German Corporate Governance Code

As a German stock corporation listed on the stock exchange, RIB Software AG is subject to the obligation pursuant to Sec. 161 German Stock Corporate Act (*AktG*) to declare its compliance with the recommendations of the GCGC. The Management Board and the Supervisory Board of RIB Software AG have with a declaration of conformity of June 2015 declared that the recommendations of the GCGC, with individual exceptions which are described in more detail in the declaration of conformity, have been and are complied with. The declaration of conformity of June 2015 can in accordance with statutory requirements be accessed permanently online at <http://group.rib-software.com/de/investor-relations/corporate-governance/declaration-of-compliance/>.

2.5.3. Employees and participation

On 31 March 2016, the decisive date on which the employees and their representations were informed about the intended conversion (see [Section 6.1.7](#) below), RIB Software Ag and its subsidiaries employ a total of 736 employees worldwide, thereof a total of 422 employees in the Members States, thereof 336 in Germany and 86 in the other Members States. The exact distribution of the employees across the Member States is stated in [Section 6.1.7](#).

No provisions on the participation of employees in supervisory or administrative bodies apply at the Company. The German Act on One-Third Participation of Employees in the Supervisory Board (*Drittelbeteiligungsgesetz* – “**DrittelbG**”) does not in particular apply to the Company. Even if the employees employed by the Company’s subsidiaries in Germany were to be attributed to the Company – which is not the case in accordance with the provisions of the *DrittlbG* – the Company would still not as a rule employ more than 500 employees. The application threshold of Sec. 1 (1) *DrittlbG* is therefore not reached.

A works council with 9 members has been established at RIB Software AG in accordance with the German Works Constitution Act (*Betriebsverfassungsgesetz* (*BetrVG*)). Further German or foreign works councils have not been established in the RIB Group. Neither a group works council nor a central works council exists. Neither a European works council nor any other representation body has been established at European level.

Convenience Translation

3. Key aspects of the conversion

3.1. Key reasons for the conversion

The conversion of RIB Software AG into the supranational legal form of the SE is intended to take the cross-border business activities and orientation of the Company. The company holds stakes in a total of 34 subsidiaries, of which eight have their registered office in Germany, and a further six have their registered office in other Member States. In light of this, the SE would appear to be an appropriate legal form for RIB Software AG as the operative group holding company:

- With its international, modern image, the SE anchors RIB Software AG as a European company with its registered office in Germany;
- the supranational legal form of the SE makes it the external presentation of RIB Software AG in the other Member States easier;
- the current two-tier system of company management of RIB Software AG with a Management Board and a Supervisory Board can be converted into the internationally conventional one-tier management system, in which management and supervisory responsibility are bundled in an administrative board.

3.2. Alternatives to the conversion

The Management Board of RIB Software AG has prior to the form-changing conversion reviewed possible alternatives in detail.

Currently, only the SE is available as a supranational legal form, which is comparable as an incorporated firm with a German stock corporation, allows a one-term management structure and listing on the stock exchange. It underlines the importance of the Company's international business and offers a form of external presentation in line with the activities of RIB Software AG.

The Management Board of RIB Software AG has therefore subject to the consent of the Supervisory Board come to the conclusion that there is no alternative for implementing the objectives pursued with the form-changing conversion and only the conversion into an SE takes the interests of the shareholders and the Company into account.

3.3. Costs of the conversion

The Management Board of RIB Software AG assumes that the costs of the conversion will not exceed EUR 250,000.00. This estimate includes the costs for preparative measures, the costs of the conversion audit by the Independent Expert, the costs of notarising the Terms of Conversion, the costs of register entry, the costs of external advisors and translators, the costs of required publication, the costs for carrying out the employee involvement procedure and the costs of conversion of the stock market listing of shares in RIB Software AG to shares in RIB Software SE.

Convenience Translation

4. Comparison of RIB Software AG and RIB Software SE

4.1. Introduction

The SE is a commercial company in the form of a European public limited-liability company (i.e. a stock corporation) (Article 1 (1) SE Regulation). The SE constitutes a supranational legal form based on European law.

The following regulations determined the legal relationships of RIB Software SE and the rights of its shareholders:

- The SE Regulation, which applies directly in all Member States;
- the German SE Regulation Implementation Act;
- the Statutes of the future RIB Software SE;
- the Involvement Agreement, insofar as one can be concluded;
- in addition, the regulations which apply for German stock corporations, in particular those of the German Stock Corporation Act (*AktG*).

An SE with registered office in Germany is in many aspects equivalent to a German stock corporation. The commercial law and tax law regulations which currently apply for RIB Software AG will for example, amongst other things, apply for RIB Software AG.

4.2. General regulations

4.2.1. Legal personality

RIB Software SE will pursuant to Article 1 (3) SE Regulation have legal personality. It is a legal entity and as such has its own rights and duties. Since the conversion of RIB Software AG into an SE does not pursuant to Article 37 (2) SE Regulation result in the winding up of the Company or the creation of a new legal person, the rights and obligations which exist for RIB Software AG at the time of conversion will continue and exist and will remain unchanged by the conversion of legal form. The Company remains identical in legal and economic terms. No transfer of assets takes place.

4.2.2. Share capital, features of the shares

While pursuant to Sec. 7 German Stock Corporation Act (*AktG*), the minimum amount of share capital is EUR 50,000.00, the subscribed capital of the SE must pursuant to Article 4 (2) SE Regulation be at least EUR 120,000. Pursuant to Article 5 SE Regulation, the capital of the SE, its maintenance and changes thereto, together with its shares, are otherwise in principal governed by national stock corporation law provisions.

Convenience Translation

The raising and maintenance of capital at RIB Software SE are as to date at RIB Software AG based on the provisions of the German Stock Corporation Act (*AktG*). This therefore in particular means that at RIB Software SE shareholders may not pursuant to Sec. 66 (1) German Stock Corporation Act (*AktG*) be released from their obligations to make contributions pursuant to Sections 54, 65 German Stock Corporation Act (*AktG*), the prohibition of the repayment of contributions pursuant to Sec. 57 (1) German Stock Corporation Act (*AktG*) continues to apply unchanged, the balance sheet profit may pursuant to Sec. 57 (3) German Stock Corporation Act (*AktG*) only be distributed among shareholders and an acquisition of own shares is pursuant to Sec. 71 German Stock Corporation Act (*AktG*) only permissible in special circumstances.

The form-changing conversion into an SE does not result in any changes with respect to the features of the shares of RIB Software AG. The share capital of RIB Software SE will continue to be EUR 46,845,657.00 and be divided into 46,845,657 shares with a par value of EUR 1.00. The minimum capital required by law is therefore clearly exceeded. The shares will remain registered shares.

The SE Statutes will at the time the form-changing conversion takes effect provide for an authorised capital and a conditional capital (Section 6.2.2 below).

4.2.3. Registered office

As in the case of a stock corporation under German law, the registered office of the SE will be determined by the SE Statutes, whereby the registered office pursuant to Article 7 (1) SE Regulation must be in a Member State within the European Community in which the headquarters are located.

The registered office of RIB Software SE in accordance with its Article 1 (2) of the SE Statutes will – as to date – be in Stuttgart. The headquarters of RIB Software SE will – as to date – also be located here.

Although an SE can pursuant to Article 7 sentence 1, Article 8 (1) SE Regulation transfer its registered office to another Member State by amending its statutes, a transfer of the registered office abroad is not, however, planned for RIB Software SE.

4.2.4. German Corporate Governance Code (GCGC)

Pursuant to Sec. 161 of the German Stock Corporation Act (*AktG*), the management board and the supervisory board of a listed stock corporation must declare on an annual basis that the recommendations of the “Government Commission on the German Corporate Governance Code” published by the Federal Ministry of Justice in the official part of the Federal Gazette (*Bundesanzeiger*) have been and are complied with and why not (“**Declaration of Conformity**”). The Declaration of Conformity is to be made permanently accessible to the public on the Company’s website. The GCGC contains regulations the management and monitoring (corporate governance); in some cases it reflects key regulations of applicable law, in other cases it contains

Convenience Translation

recommendations and suggestions. The Declaration of Conformity only refers to the recommendations contained in the GCGC.

The SE Regulation does not contain any express provision on the applicability of the GCGC. Via Article 9 (1) c) (ii) of the SE Regulation, however, Sec. 161 German Stock Corporation Act (*AktG*) applies, which means that RIB Software SE – as RIB Software AG already – will on an annual basis declare whether and to what extent it follows the recommendations of the GCGC.

4.2.5. Disclosure obligations

RIB Software AG must observe the obligations in accordance with the German Securities Trading Act (*Wertpapierhandelsgesetz – WpHG*), including disclosure and publication obligations regarding voting rights shares pursuant to Sections 21 ff. WpHG and pursuant to Sec. 15a WpHG with respect to transactions with shares of the Company by persons who have management tasks, as well as persons who are closely related to such persons. Via the general reference contained in Article 9 (1) c) ii) SE Regulation, this likewise applies for the future RIB Software SE as a listed company.

4.2.6. Entry in the Commercial Register

Pursuant to Sec. 3 SE Regulation Implementation Act, the SE is entered in the commercial register in accordance with the regulations which apply for German stock corporation. Since the registered office of the Company remains unchanged, the Local Court of Stuttgart will as register court continue to have jurisdiction for RIB Software SE. RIB Software SE will, however, receive a new register number when the form-changing conversion takes effect. After the form-changing conversion has taken effect, all entries and submissions regarding the Company will only be made to the Commercial Register of RIB Software SE and therefore under the new register number.

4.3. Formation of the Company

Subject to the provisions of the SE Regulation, the law applicable to public limited-liability companies in the Member State in which the SE establishes its registered office applies for the formation of an SE (Article 15 (1) SE Regulation). This also applies in the event that the SE is formed by a change in form pursuant to Article 37 SE Regulation. The details of the procedure for the formation of RIB Software SE are explained in [Section 5](#) of this Report.

4.4. Legal relationships of the Company and the shareholders

Since the regulations of the German Stock Corporation Act (*AktG*) relating to the preservation of capital (Sec. 56 ff. German Stock Corporation Act (*AktG*)) also apply to the SE due the reference in Article 5 SE Regulation, the SE may not in particular pursuant to Sec. 57 (1) German Stock Corporation Act (*AktG*) subscribe its own shares and may not pursuant to Sec. 57 (1) German Stock Corporation Act (*AktG*) repay contributions to shareholders (see also [Section 4.2.2](#) in this respect). The stock corporation law regulations regarding the use of the annual net income and the creation of reserves (Sec. 58 (4) German Stock Corporation Act (*AktG*)) also apply. The shares

Convenience Translation

of the shareholders in the profit of the SE are determined in accordance with Sec. 60 (1) German Stock Corporation Act (*AktG*) on the basis of their shares in the share capital. The stock corporation law principle of equal treatment of all shareholders pursuant to Sec. 53a German Stock Corporation Act (*AktG*) is also to be applied to the SE and its shareholders via the reference in Article 9 (1) c) (ii) SE Regulation. The change in the legal form of RIB Software AG into an SE therefore does not have any impact on the relationship of the Company to its shareholders.

4.5. Structure of the Company

The stock corporation must have a two-tier structure comprising a management board (Sec. 76 ff. German Stock Corporation Act (*AktG*)) and a supervisory board (Sec. 95 ff. German Stock Corporation Act (*AktG*)). No-one may be a member of the management board and the supervisory board at the same time. The management board manages the stock corporation under its own responsibility pursuant to Sec. 76 (1) German Stock Corporation Act (*AktG*) while the supervisory board is responsible for the supervision of the management board and to this is to be informed by it on a regular basis pursuant to Sec. 90 German Stock Corporation Act (*AktG*) and in important cases. The supervisory board supervises the management of the company pursuant to Sec. 111 German Stock Corporation Act (*AktG*). It is not entitled to assume the tasks of the management board or to instruct it to act. Certain types of transaction may only be carried out with its consent. The catalogue of such transactions which require consent has to be specified in the articles of association or determined by the supervisory board.

Beside a two-tier management system, a one-tier management system is also available to the SE. The choice between the two systems is made in the articles of association. In Article 5 of the SE Statutes the Company decided in favour of the one-tier system, with which an Administrative Board replaces the Management Board and the Supervisory Board. The Administrative Board as management body and the General Meeting form the corporate bodies of RIB Software SE. In this respect the Administrative Board manages the Company, establishes the fundamental guidelines for its activities and supervises their implementation (Sec. 22 SE Regulation Implementation Act). The requirements established by the Supervisory Board are implemented by the Managing Directors, who manage the day-to-day business of RIB Software SE. Members of the Administrative Board can be appointed as Managing Directors, provided the majority of the Administrative Board continues to consist of non-managing director members. Unlike the members of the Management Board of RIB Software AG, the Managing Directors of RIB Software AG are bound by the instructions of the Administrative Board. Administrative Board

4.5.1.1. Composition

The size and composition of the Administrative Board are based on the provisions contained in Sections 23 ff. SE Regulation Implementation Act in conjunction with Article 43 ff. SE Regulation.

Pursuant to Sec. 23 (1) SE Regulation Implementation Act, the Administrative Board consists of at least three members. The Statutes of the SE can deviate above or below this standard number, provided the minimum of maximum number pursuant to Sec. 23 (1) second half of sentence 2 and sentence 3 SE Regulation Implementation Regulation is complied with. With share capital of more

Convenience Translation

than EUR 10,000,000.00 the Administrative Board of RIB Software AG can have a minimum of 3 members and a maximum of 21 members. The above provisions correspond to the German Stock Corporation Act provisions relating to supervisory boards. Pursuant to Section 24 (1) SE Regulation Implementation Act, the Administrative Board is comprised of representatives of the shareholders and if provided for by the Involvement Agreement or, in the absence of such, the provisions of Sections 34 ff. SE Involvement Act of representatives of the employees. The Administrative Board of RIB Software SE should have eight members. The Supervisory Board of RIB Software AG has six members, who are all shareholder representatives.

If in the opinion of the Chairman of the Administrative Board, the Administrative Board is not comprised properly, he must pursuant to Sec. 25 SE Regulation Implementation Act initiate “out-of-court status proceedings”; in the stock corporation the corresponding obligation is incumbent on the management board. If it is disputed or uncertain according to which regulations the Administrative Board is to be comprised, a court review of the composition of the Administrative Board can be applied for by a member of the Administrative Board, a shareholder, the party entitled pursuant to Sec. 98 (2) sentence 1 Nos 4 to 10 German Stock Corporation Act (*AktG*) or the SE Works Council pursuant to Sec. 26 SE Regulation Implementation Act. The court status proceedings in this respect closely follow the regulatory model of Sec. 98 ff. German Stock Corporation Act (*AktG*). If the court is not seised within a period of one month after publication in the Federal Gazette (*Bundesanzeiger*), the new Administrative Board is to be composed in accordance with the regulations specified in the notice.

The persons who are to be appointed to the Administrative Board must meet certain personal requirements which essentially correspond to those for the members of the supervisory board of a stock corporation. As at a listed stock corporation, at least one member of the advisory board of a listed SE must have expert knowledge in the area of financial accounting or the auditing of annual financial statements (Sec. 27 (1) sentence 4 SE Regulation Implementation Act in conjunction with Sec. 100 German Stock Corporation Act (*AktG*).

4.5.1.2. Appointment and dismissal of members of the Administrative Board, period of office

Pursuant to Article 43 (3) sentence 1 SE Regulation, the general meeting appoints the members of the administrative board, just as the general meeting appoints the members of the supervisory board. Pursuant to Article 43 (3) sentence 2 SE Regulation, the members of the first administrative board may be appointed by the statutes, whereby according to Article 6 SE Regulation, the terms of conversion are equivalent to the statutes as instrument of incorporation. Pursuant to Article 43 (3) sentence 3 SE Regulation in conjunction with Article 47 (4) SE Regulation, the involvement agreement, or in its absence Sections 34 ff. SE Involvement Act applies for the employee representatives on the administrative board of an SE with its registered office in Germany.

If provided for by the statutes of the SE; shareholders can also appoint members to the administrative board. The requirements for the appointment of a member to the supervisory board of a stock corporation pursuant to Sec. 201 (2) German Stock Corporation Act (*AktG*) apply via Sec. 28 (2) SE Regulation Implementation Act.

Convenience Translation

Following Sec. 101 (3) German Stock Corporation Act (*AktG*), no deputies can be appointed for members of the administrative board, but a replacement member may be appointed for any member (Sec. 28 (3) SE Regulation Implementation Act). The replacement member replaces the administrative board member who – for whatever reason – leaves the administrative board before his/her period of office ends.

Sec. 30 SE Regulation Implementation Act, which is modelled on the court appointment of supervisory board members, governs the appointment of members of the administrative board by the court. Accordingly, the court, at the request of a member of the administrative board, a shareholder, the party entitled pursuant to Sec. 104 (1) sentence 3 German Stock Corporation Act (*AktG*) or the SE works council, has to make up the required number of administrative board members if it does not have the number of members required to constitute a quorum. (Sec. 30 (1) SE Regulation Implementation Act). In addition, the court must in response to a corresponding request make up the required number of administrative board members pursuant to Sec. 30 (2) SE Regulation Implementation Act if the administrative board has a quorum, but for longer than three months has fewer members than established by the involvement agreement, by law or by the statutes. In urgent cases, the court must also make up the number of members of the administrative board upon request before expiry of the time period.

Sec. 29 SE Regulation Implementation Act governs the dismissal of members of the administrative board. The provision is extensively similar to Sec. 103 German Stock Corporation Act (*AktG*) on the dismissal of members of the supervisory board of a stock corporation. Members of the administrative board who have been elected by the general meeting without being bound to an election proposal, can pursuant to Sec. 29 (1) SE Regulation Implementation Act be dismissed by the general meeting before expiry of their period of office. The resolution requires a majority of at least three-quarters of the votes cast, unless the SE statutes specify a different majority or additional requirements. A member of the administrative board who has been delegated to the administrative board of an SE based on the statutes, can be dismissed at any time by the party entitled to delegate members and be replaced by another member (Sec. 29 (2) sentence 1 SE Regulation Implementation Act). If the requirements for the right to delegate members set forth in the statutes no longer exists, the general meeting can dismiss the delegated member with a simple majority (Sec. 29 (2) sentence 2 SE Regulation Implementation Act). Pursuant to Sec. 29 (3) SE Regulation Implementation Act, the court must at the request of the administrative board dismiss a person if an important reason for this exists in connection with the person concerned.

Pursuant to Sec. 46 (1) SE Regulation, the period of office of the members of the administrative board is established in the statutes of the SE and may not exceed a period of six years. A one-off or repeated re-appointment is permissible pursuant to Article 46 (2) SE Regulation subject to the restrictions set forth in the Statutes of the SE.

4.5.1.3. Tasks and rights of the Administrative Board

The tasks and rights of the Administrative Board are governed by Sec. 22 SE Regulation Implementation Act.

Convenience Translation

A central body in the one-tier management system, the Administrative Board manages the business of the SE, establishes the fundamental guidelines for its activities and supervises their implementation. The Administrative Board must convene a General Meeting if the welfare of the Company requires this, just as the supervisory board convenes a general meeting of the stock corporation.

The Administrative Board is required – like the management board of a stock corporation – to keep the accounting books and to establish an appropriate monitoring system for the early recognition of developments which could jeopardise the continued existence of the Company (Sec. 22 (3) SE Regulation Implementation Act). Pursuant to Sec. 22 (4) SE Regulation Implementation Act, the Administrative Board can access and inspect the books and records and the assets of the Company, namely the cashier's office and the inventory of securities and goods. It commissions the auditor of the annual financial statements to audit the annual financial statements and the consolidated annual financial statements pursuant to Sec. 290 German Commercial Code (*HGB*); at a stock corporation this is the task of the supervisory board.

The Administrative Board must pursuant to Sec. 22 (5) SE Regulation Implementation Act convene a General Meeting without undue delay if when preparing the annual financial statements or interim financial statements it becomes apparent or is to be assumed in exercise of due discretion that half of the share capital has been lost. In the event of insolvency or overindebtedness of the SE, the Administrative Board must file the insolvency application pursuant to Sec. 15a (1) German Insolvency Code (*InsO*). The duties which are incumbent on the management board of a stock corporation pursuant to Sec. 92 (2) German Stock Corporation Act (*AktG*), apply accordingly to the Administrative Board.

In conclusion, Sec. 22 (6) SE Regulation Implementation Act provides for a general assignment, according to which all provisions outside the SE Regulation Implementation Act which assign rights or duties to the management board apply *mutatis mutandis* for the Administrative Board, unless the SE Regulation Implementation Act contains different provisions .

4.5.1.4. Right to issue instructions

The Administrative Board is authorised to issue instructions to the Managing Directors, Sec. 44 (2) SE Regulation Implementation Act. These can either be contained in rules of procedure or can be issued on an individual basis.

4.5.1.5. Meetings of and adoption of resolution by the Administrative Board

Provisions in principle apply for meetings of and the adoption of resolutions by the Administrative Board which are similar to those which apply for the supervisory board of a stock corporation.

The Administrative Board of RIB Software SE is constituted after the General Meeting on 31 May 2016 and appoints a chairman and at least one deputy chairman, who pursuant to Sec. 34 (1) sentence 2 SE Regulation Implementation Act only then has the rights and duties of the chairman if the chairman is unable to exercise this function. With respect to its internal order, the

Convenience Translation

Administrative Board can pursuant to Sec. 34 (2) SE Regulation Implementation Act issue rules of procedure.

Pursuant to Sec. 37 (1) SE Regulation Implementation Act, any member of the Administrative Board can, specifying purpose and grounds, request that the Chairman of the Administrative Board convenes the Administrative Board without undue delay. The Chairman of the Administrative Board is therefore in principle responsible for convening the Administrative Board. If the request to convene the Administrative Board is not granted, any member of the Administrative Board can pursuant to Sec. 37 (2) SE Regulation Implementation Act convene the Administrative Board stating the circumstances and providing an agenda.

Persons who are not members of the Administrative Board are not to take part in meetings of the Administrative Board and its committees (Sec. 36 (1) SE Regulation Implementation Act). Experts and persons who can provide information may be invited to participate in meetings of the Administrative Board in order to advise on individual subjects. Pursuant to Sec. 36 (3) SE Regulation Implementation Act, the SE Statutes can permit that persons who do not belong to the Administrative Board can participate in meetings of the Administrative Board and its Committees instead of members who are unable to attend provide they have been authorised to do so in text form.

Pursuant to Sec. 50 (1) SE Regulation, the Administrative Board has a quorum if at least half of its members are present or represented and the Statutes of the SE do not require otherwise. The Chairman of the Administrative Board must pursuant to Sec. 35 (3) SE Regulation Implementation Act has an additional vote for each Managing Director who is at the same time a member of the Administrative Board and is for legal reasons prevented from participating in the adoption of resolutions.

Resolutions of the Administrative Board are as a rule adopted in personal meetings of its members. This is based on Sec. 35 (1) SE Regulation Implementation Act, which as an exception permits votes to be cast in writing subject to certain requirements. Absent members of the Administrative Board can submit written votes via other members of the Administrative Board or via persons who do not belong to the Administrative Board if these are authorised to participate in the meeting pursuant to Sec. 109 (3) German Stock Corporation Act (*AktG*). As for the supervisory board of a stock corporation, pursuant to Sec. 108 (4) German Stock Corporation Act (*AktG*), the adoption of resolutions by the Administrative Board or its Committees in writing, by telephone or in other similar forms (e.g. fax, email) without a meeting are only permissible, subject to any more detailed provisions in the SE Statutes or any rules of procedure of the Administrative Board if no member of the Administrative Board objects to this (Sec. 35 (2) SE Regulation Implementation Act).

Resolutions of the Administrative Board are adopted pursuant to Article 50 (1) SE Regulation and subject to any different provisions in the Statutes of the SE with the majority of the members present or represented. In the event of a tied vote, the Chairman of the Administrative Board has a casting vote, provided there is no relevant provision in the Statutes of the SE (Article 50 (2) SE Regulation). A similar provision only applies in Germany for supervisory boards half of whose

Convenience Translation

members must in accordance with the provisions of the German Employee Participation Act (*Mitbestimmungsgesetz*) be representatives of the employees.

Minutes of the meetings of the Administrative Board are to be prepared which are to be signed by the Chairman of the Administrative Board. The minutes must state the location, the date of the meeting, the participants, the items on the agenda, the key content of the discussion and the resolutions of the Administrative Board. Pursuant to Sec. 34 (3) sentence 3 SE Regulation Implementation Act, any breach of the provisions contained in the previous two sentences does not make the resolutions invalid.

4.5.1.6. Remuneration of members of the Administrative Board

The provisions of Sections 113 ff. German Stock Corporation Act (*AktG*) are applied accordingly with respect to the remuneration of members of the Administrative Board, the granting of loans to members of the Administrative Board and for other contract with members of the Administrative Board.

Accordingly, the remuneration of the members of the Administrative Board must be established in the Statutes of the SE or approved by a resolution of the General Meeting. The remuneration must be appropriately in line with the tasks of the members of the Administrative Board and the situation of the SE. If the remuneration is established in the SE Statutes, the General Meeting can adopt with a simple majority adopt an amendment to the SE Statutes which lowers the remuneration.

4.5.1.7. Duties to exercise due care, liability

The members of the Administrative Board are liable for damages which the SE incurs due to any breach of the duties incumbent on them with respect to the exercise of their office on the basis of the law, the SE Statutes or other duties. The liability standard of Sec. 93 German Stock Corporation Act (*AktG*) applies for the members of the Administrative Board as well via Sec. 39 SE Regulation Implementation Act. The members of the Administrative Board must accordingly exercise the due care of a proper and conscientious manager (*business judgement rule*) when carrying out their activities. The duties to exercise due care which are to be observed are based on the competences and task of the members of the Administrative Board. When defining the duties for the fulfilment of which the individual members of the Administrative Board are accountable, it has to be taken into consideration that although the Administrative Board has responsibility for the management of the Company, it essentially has a supervisory function similar to that of a supervisory board. By comparison, the members of the Administrative Board who are at the same time Managing Directors as well are in addition responsible for the management of the Company and therefore have to observe more extensive duties to exercise due care, which are similar to those of a management board member.

The members of the Administrative Board are, like the members of the management board or supervisory board of a stock corporation, also obliged not to divulge information about the Company, the disclosure of which could be prejudicial to the interests of the Company. This also

Convenience Translation

applies after they have left office. This obligation of the members of the Administrative Board is based on Article 49 SE Regulation.

4.5.1.8. Committees

The Administrative Board can from among its members appoint one or several committees, namely in order to prepare its discussions and resolutions or to monitor the implementation of its resolutions. The rules applicable to this in Sec. 34 (4) SE Regulation Implementation Act are similar to the provisions concerning the committees of the supervisory board of a stock corporation. If the Administrative Board makes use of the possibility to create an audit committee, this must by virtue of the law have a majority of members who are not at the same time Managing Directors (Sec. 34 (4) sentence 5 SE Regulation Implementation Act). At least one member of the Audit Committee must meet the requirements of Sec. 100 (5) German Stock Corporation Act (*AktG*) and have expert knowledge in the areas of accounting or the auditing of annual financial statements (Sec. 34 (4) sentence 6 SE Regulation Implementation Act).

Pursuant to Sec. 36 (2) SE Regulation Implementation Act, members of the Administrative Board who do not belong to the committee can take part in committee meetings unless determined otherwise by the Chairman of the Administrative Board; this corresponds to the provision in the German Stock Corporation Act (*AktG*) which applies to supervisory boards.

4.5.2. Managing Directors

4.5.2.1. Appointment and dismissal of Managing Directors, period of office

Pursuant to Sec. 40 (1) SE Regulation Implementation Act, the Administrative Board appoints one or several Managing Directors. The personnel responsibility of the Administrative Board for the Managing Directors is similar to that of the supervisory board of a stock corporation for its management board, apart, however, from the right of the Administrative Board to issue instructions to the Managing Directors, for which there is no equivalent with respect to the relationship between the supervisory board and the management board of a stock corporation. Pursuant to Sec. 40 (1) sentence 2 SE Regulation Implementation Act, members of the Administrative Board can be appointed as Managing Directors providing that the majority of Administrative Board members continue to be non-managing director members. The appointment procedure and the requirements are otherwise similar to those for the appointment a member of the management board of a stock corporation.

Like members of the management board of a stock corporation, Managing Directors can also in urgent cases be appointed by the court (Sec. 45 SE Regulation Implementation Act with reference to Sec. 85 German Stock Corporation Act (*AktG*)).

Managing Directors can pursuant to Sec. 50 (5) SE Regulation Implementation Act be dismissed at any time with a resolution of the Administrative Board unless the Statutes of the SE provide otherwise. Pursuant to Sec. 40 (5) sentence 2 SE Regulation Implementation Act, the general provisions apply for the claims under the employment contracts of Managing Directors. Article 12

Convenience Translation

(5) of the SE Statutes provides for the Managing Directors of RIB Software SE that these can only be dismissed for good cause as defined by Sec. 84 (3) German Stock Corporation Act (*AktG*) or in the event that their employment contracts are terminated, which in each case requires the adoption of a resolution by the Administrative Board with a majority of three-quarters of the votes cast.

The regulations regarding Managing Directors also apply for deputy Managing Directors via Sec. 40 (9) SE Regulation Implementation Act.

4.5.2.2. Tasks and rights of the Managing Directors

Pursuant to Sec. 40 (2) sentence 1 SE Regulation Implementation Act, the Managing Directors manage the business of RIB Software AG. Unlike the management board of a stock corporation pursuant to Sec. 76 German Stock Corporation Act (*AktG*), the Managing Directors of the Company do not, however, manage the Company “under their own responsibility” because the management competence lies with the Administrative Board, which in particular results from Sections 22 (1) and 44 (2) SE Regulation Implementation Act.

Unless provided for otherwise by the SE Regulation Implementation Act, the Managing Directors must carry out all registrations and submissions to the commercial register if a corresponding obligations exists for the management board of a stock corporation in accordance with the legal regulations which apply for stock corporations (Sec. 40 (2) sentence 4 SE Regulation Implementation Act).

If several Managing Directors are appointed, they can pursuant to Sec. 40 (4) sentence 1 SE Regulation Implementation Act give themselves rules of procedure, unless the Statutes of the SE have transferred the issue of rules of procedure to the Administrative Board – as provided for in Article 8 (2) of the SE Statutes – or the Administrative Board issues rules of procedure for the Managing Directors.

The power of the Managing Directors to represent RIB Software SE in and out of court pursuant to Sec. 41 SE Regulation Implementation Act includes the same rights and duties as the power of representation of the management board of a stock corporation pursuant to Sec. 78 German Stock Corporation Act (*AktG*).

4.5.2.3. Reports to the Administrative Board

Pursuant to Sec. 40 (6) SE Regulation Implementation Act, the reporting duties of the Managing Directors with respect to the Administrative Board are equivalent to those of the management board of a stock corporation with respect to the supervisory board. The Statutes and Rules of Procedure of the SE can provide otherwise.

Convenience Translation

4.5.2.4. Obligations in the event of losses, overindebtedness or insolvency

If it becomes apparent during preparation of the annual financial statements or is to be assumed exercising due discretion that half of the share capital has been lost, the Managing Directors must report this to the Chairman of the Administrative Board without undue delay. The same applies if the Company becomes insolvent or overindebtedness of the Company results (Sec. 40 (3) SE Regulation Implementation Act). The Administrative Board is then obliged to convene a General Meeting or to file an application for insolvency; see [Section 4.5.1.3](#) above.

4.5.2.5. Remuneration of Managing Directors

For the remuneration of the Managing Directors, for the prohibition of competition which applies to them and for the restrictions relating to the granting of loans to Managing Directors (Sec. 40 (7) SE Regulation Implementation Act) refers to the corresponding provision for the management board of a stock corporation in accordance with Sections 87 to 89 German Stock Corporation Act (*AktG*).

4.5.2.6. Duties to exercise due care and liability

The Managing Directors are liable pursuant to Sec. 40 (8) SE Regulation Implementation Act in conjunction with Sec 93 German Stock Corporation Act (*AktG*) like the members of the management board of their stock corporation for damage which results due to any breach of their duties in accordance with the law, the SE Statutes or other duties.

4.5.3. General Meeting

The provisions of the German Stock Corporation Act (*AktG*) for the general meeting of a stock corporation apply in principle due to the reference contained in Article 9 (1) c) (ii) SE Regulation likewise for the General Meeting of the SE. Individual regulatory areas are highlighted below:

4.5.3.1. Rights and responsibilities of the General Meeting

Due to the reference contained in Article 53 SE Regulation, the general meeting of an SE with registered office in Germany has the rights and responsibilities allocated to it by the SE Regulation or the SE Regulation Implementation Act. The SE Regulation results in responsibilities of the General Meeting for the transfer of the registered office to another Member State (Article 8 (6) SE Regulation), formation by merger (Article 23 (1) SE Regulation), the formation of a holding SE (Article 32 (6) sentence 1 SE Regulation), the winding up of the SE (Article 63 SE Regulation) and the conversion of the SE back into a stock corporation (cf. Article 66 (6) SE Regulation). The General Meeting of the SE also adopts resolutions which have been transferred to the general meeting of a German stock corporation by or on the basis of regulations contained in the German Stock Corporation Act (*AktG*). These are in particular the responsibilities set forth in Sec. 119 (1) German Stock Corporation Act (*AktG*), which in some cases overlap with the responsibilities of the general meeting set forth in the SE Regulation:

Convenience Translation

- Appointment of the shareholder representative on the supervisory board,
- appropriation of the balance sheet profit,
- formal approval of the actions of the management board and the supervisory board (*Entlastung*),
- appointment of the auditor of the annual financial statements,
- amendments to the articles of association,
- measures to increase or reduce the share capital,
- appointment of auditors for the examination of procedures relating to the formation or management of the company,
- winding up of the company.

Due to the one-tier management structure of RIB Software SE, after the conversion the Company appoints shareholder representatives on the Administrative Board instead of supervisory board members. The formal grant of discharge (*Entlastung*) then likewise refers to the actions of the Administrative Board and the Managing Directors instead of those of the management board and the supervisory board.

4.5.3.2. Convocation of the General Meeting

Due to the reference made in Article 54 (2) SE Regulation, the same German Stock Corporation Act (*AktG*) regulations apply for convening the general meeting at the stock corporation as at the SE. Differences only exist with respect to the fact that the General Meeting of RIB Software AG has to be convened such that it can take place within the first six months of the fiscal year pursuant to Article 54 (1) SE Regulation, while pursuant to Sec. 175 (1) sentence 2 of the German Stock Corporation Act (*AktG*), this has to take place within the first eight months of the fiscal year at RIB Software AG, and the General Meeting is convened by the Administrative Board and not by the management board or the supervisory board.

4.5.3.3. Minority rights

The general meeting has to be convened at a stock corporation if shareholders whose shares jointly account for one-twentieth of the share capital request this in writing statement the purpose and reasons (Section 122 (1) German Stock Corporation Act (*AktG*)). In the same way, shareholders whose shares jointly account for one-twentieth of the share capital or the proportionate amount of EUR 500,000 can request that items for the adoption of resolutions by a general meeting are put on the agenda and announced as items on the agenda (Sec. 122 (2) German Stock Corporation Act (*AktG*)). If such a request is not met, the court may authorise the shareholders who filed the request to convene the general meeting or to publish the item (Sec. 122 (3) sentence 1 German Stock Corporation Act (*AktG*)). Article 55 SE Regulation and Sec. 50 SE Regulation Implementation Act contain provisions with similar content which apply for the SE. The conversion therefore does not result in any significant changes in this respect.

Convenience Translation

4.5.3.4. Rights of shareholders to information, to speak and to ask questions

At the general meeting of a stock corporation every shareholder is pursuant to Sec. 131 (1) sentence 1 German Stock Corporation Act (*AktG*) upon request to be given information by the management board about the affairs of the company to the extent required to allow a proper assessment of the items on the agenda. The same applies to the General Meeting of the SE due to the general reference contained in Article 9 (1) c) ii) SE Regulation.

4.5.3.5. Resolutions of the General Meeting

The resolutions of the general meeting of a stock corporation or an SE in principle require the majority of the votes cast (simple voting majority), unless the law or the articles of association/statutes) provide for a larger majority or further requirements (Sec. 133 (1) German Stock Corporation Act (*AktG*), Article 57 SE Regulation). If the resolutions concern amendments to the articles of association, these require in the case of a stock corporation pursuant to Sec. 179 (2) German Stock Corporation Act (*AktG*) a majority of at least three-quarters of the share capital represented during the adoption of the resolution. The articles of association can provide for a different majority, but for any amendment to the business purpose of the company, however, only a larger capital majority. At the SE, Article 59 (1) SE Regulation states that any amendment of the statutes of the SE has to be adopted with a majority of not less than two-thirds of the votes cast. Larger majorities which are provided for or permitted for stock corporations in the country where the SE has its registered office should, however, take precedence. Whether the capital majority provided for by Sec. 179 (2) German Stock Corporation Act (*AktG*) is to be interpreted as a larger majority in the meaning of Article 59 (1) SE Regulation or constitutes an additional resolution adoption requirements besides the two-thirds voting majority required by Article 59 (1) SE Regulation has not to date been clarified conclusively. According to the prevailing view in German legal literature, any amendments of the statutes of the SE which mandatorily require a three-quarter capital majority pursuant to the German Stock Corporation Act (*AktG*) require a three-quarter majority of the (valid) votes cast. As the voting power of the shares of RIB Software SE equal their nominal value (as is the case for the shares in RIB Software AG), the controversy in German legal literature has no impact on the resolution adoption of RIB Software SE. Article 59 (2) SE Regulation, however, permits that the Member States can provide that a simple majority is sufficient for amendments to the statutes if at least half of the subscribed capital is represented. The German legislator has made use of this power in Sec. 51 SE Regulation Implementation Act. The SE Statutes include this possibility in Article 18 (6).

4.5.3.6. Claims for damages against corporate bodies/legal action by shareholders

The regulations of the German Stock Corporation Act (*AktG*) on the assertion claims for damages and legal action by shareholders (Sections 147 ff. Stock Corporation Act (*AktG*)) apply due to the reference contained in Article 9 (1) c) (ii) SE Regulation equally for the stock corporation and the SE.

Convenience Translation

4.6. Accounting

With respect to accounting and the auditing of the annual financial statements, as well as other provisions which concern the annual financial statements and the management report, as well as the consolidated annual financial statements and the consolidated management report, the regulations which apply for a stock corporation under German law apply at RIB Software SE in accordance with Article 61 E Regulation. Due to the one-tier structure of RIB Software SE, the annual financial statements, management report, consolidated annual financial statements and consolidated management report are prepared by the Managing Directors (and not the Management Board) and are to be reviewed by the Administrative Board (instead of the Supervisory Board).

4.7. Measures for the creation and reduction of share capital

Due to the reference contained in Article 9 (1) c) (ii) SE Regulation, the provisions of the German Stock Corporation Act (*AktG*) apply to the SE with respect to measures for the creation and reduction of share capital. The change in the legal form of RIB Software AG into an SE will therefore not result in any changes in this respect.

4.8. Company groups law

According to prevailing opinion which is also shared by the Management Board, the provisions of the German Stock Corporation Act (*AktG*) apply to an SE with its registered office in Germany in the same way as to a stock corporation. This applies both to as SE as controlling enterprise and for an SE as a controlled enterprise, and in particular for inter-company agreements, de facto group formation and the exclusion of minority shareholders in return for cash compensation.

4.9. Winding up and declaration of the nullity of the Company

Pursuant to Article 63 SE Regulation, as regards winding up, liquidation, insolvency, cessation of payments and similar procedures an SE is governed by the legal provisions which would apply to a stock corporation formed in accordance with the law of the Member State in which the SE's registered office is located. In this respect, the change in the legal form of RIB Software AG to an SE does not result in any changes.

4.10. Transfer of registered office abroad

If a stock corporation resolves to relocate its registered office in accordance with the articles of association (and not just its headquarters) to a foreign country, this resolution is assessed by prevailing opinion to be a winding up resolution. For an SE on the other hand a resolution on the relocation of the registered office is not deemed to be a winding up resolution because Article 8 (1) SE Regulation expressly permits such a relocation of the registered office. The relocation of the registered office requires a resolution of the general meeting and requires a majority amending the statutes. The SE must offer every shareholder whose objection to the relocation resolution is

Convenience Translation

recorded in the minutes of the general meeting to purchase or his/her shares against appropriate cash compensation (Sec. 12 (1) sentence 1 SE Regulation Implementation Act).

5. Procedural steps of the conversion

5.1. Drafting of the Terms of Conversion

Pursuant to Article 37 (4) SE Regulation, the Management Board of RIB Software AG draws up draft terms of conversion. The content of the terms of conversion is not determined by law. The Management Board of RIB Software AG has used the requirements of Article 20 SE Regulation for draft terms of merger as a basis to the extent that these requirements do not refer exclusively to a merger, but also make sense in the context of formation of an SE by conversion. The Management Board has also taken the requirements placed on a conversion resolution in accordance with Sec. 197 German Transformation Act (*UmwG*). The Terms of Conversion of the Management Board of RIB Software AG therefore contain information on the following aspects of RIB Software SE:

- Conversion of date on which it takes effect;
- company name and registered office;
- share capital and shares;
- Statutes of RIB Software SE;
- Administrative Board of RIB Software SE;
- Managing Directors of RIB Software SE;
- special rights;
- special benefits;
- negotiations on employee involvement;
- other implications for employees and their representations;
- auditors of the annual financial statements;
- costs.

The Management Board drew up the Terms of Conversion and the draft Statutes for the future RIB Software SE on 12 April 2016 in notarised form (deed no 407/2016 L of the notary public Dr Rainer Laux, Stuttgart). The Terms of Conversion and the SE Statutes attached as an annex thereto will together with other documents be displayed from the convening of the General Meeting of RIB Software AG onwards which is to adopt a resolution on the conversion at the business premises of RIB Software AG, Vaihinger Straße 151, 70567 Stuttgart, Germany, and will also be accessible online at <http://group.rib-software.com/de/investor-relations/annual-general-meeting/2016/>. Every shareholder will upon request be provided with copies of the documents without undue delay and free of charge.

Convenience Translation

5.2. Conversion Report

The management board of the stock corporation which is to be converted into an SE must pursuant to Article 37 (4) SE Regulation draw up a report in which the legal and economic aspects of the conversion are explained and justified and which indicates the implications which the conversion of the legal form into an SE has for shareholders and employees.

The Management Board of RIB Software AG has in fulfilment of this obligation drawn up this Report. It in particular serves to inform the shareholders of RIB Software AG for the adoption of a resolution of the ordinary General Meeting of RIB Software AG on 31 May 2016 on the conversion. Like the Terms of Conversion, the Conversion Report will be displayed from the convening of the General Meeting of RIB Software AG onwards which is to adopt a resolution on the conversion at the business premises of RIB Software AG, Vaihinger Straße 151, 70567 Stuttgart, Germany, and will also be accessible online at <http://group.rib-software.com/de/investor-relations/annual-general-meeting/2016/>. Every shareholder will upon request be provided with copies of the Conversion Report without undue delay and free of charge.

5.3. Conversion Audit

Pursuant to Article 37 (6) SE Regulation, it is to be certified by one or several independent experts before the General Meeting which adopts a resolution on the conversion of RIB Software AG that the Company has net assets at least equivalent to its capital plus those reserves which must not be distributed under the law or the statutes. This independent expert described as Conversion Auditor in this Report is pursuant to Article 37 (6) SE Regulation in conjunction with Sec. 10 German Transformation Act (*Umwandlungsgesetz* – UmwG) to be appointed by a German court. The Regional Court of Stuttgart has appointed BW PARTNER Bauer Schätz Hasenclever Partnerschaft mbB Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Stuttgart, as Independent Expert. The Independent Expert has carried out an audit and issued the **“Independent Expert’s Certificate”** on 13 April 2016 with the following content:

“According to the final result of our audit duly carried out in accordance with Article 37 (6) SE Regulation, we hereby certify, based on the documentation and information and evidence we were given as the basis for the observations and methodology set out in this report, that RIB Software AG, Stuttgart, has net assets at least equivalent to its capital plus those reserves which must not be distributed under the law or the Statutes.”

The Independent Expert’s Certificate will be displayed from the convening of the General Meeting of RIB Software AG onwards which is to adopt a resolution on the conversion at the business premises of RIB Software AG, Vaihinger Straße 151, 70567 Stuttgart, Germany, and will also be accessible online at <http://group.rib-software.com/de/investor-relations/annual-general-meeting/2016/>. Every shareholder will upon request be provided with copies of the Independent Expert’s Certificate without undue delay and free of charge.

Convenience Translation

Based on the prevalent opinion, which is shared by the Management Board, a foundation audit carried out by an external foundation auditor in accordance with foundation regulations under the German Stock Corporation Act (Sec. 33 (2) German Stock Corporation Act (*AktG*)) is not necessary in addition to the Conversion Audit or the Conversion Auditor. Besides the Independent Expert's Certificate issued by the Conversion Auditor, there is no need or legal basis for such an audit. A foundation report pursuant to Sec. 32 German Stock Corporation Act (*AktG*) is according to prevailing opinion, which is shared by the Management Board of RIB Software AG, likewise not necessary. This conclusion can be derived from the legal concepts expressed in Sec. 75 (2) German Transformation Act (*UmwG*) and Sec. 245 (4) German Stock Corporation Act (*AktG*). The Management Board also shares with widespread opinion that an internal foundation audit on the course of the foundation by conversion and a corresponding audit report pursuant to Article 15 (1) SE Regulation in conjunction with Sec. 33 (1) German Stock Corporation Act (*AktG*) is not required. Should the Commercial Register with jurisdiction for the Company, however, hold different opinion, it is intended that the members of the Administrative Board of RIB Software SE – after their appointment by the General Meeting on 31 May 2016, but before entry of RIB Software AG in the Commercial Register is filed for – carry out such an internal audit and submit their audit report to the Commercial Register.

5.4. Publication

The Terms of Conversion are pursuant to Article 37 (5) SE Regulation to be publicised at least one month before the date of the General Meeting which is to adopt a resolution on the conversion. Publication takes place by submission to the competent Commercial Register for the purpose of publication and an appropriate public notice by the Register Court. In the opinion of parts of the literature, this publication obligation exists in broader interpretation of Article 37 (5) SE Regulation for the Conversion Report as well.

In order to meet this deadline of one month, the Management Board will submit the Terms of Conversion and as a precaution also the Conversion Report to the Commercial Register of the Regional Court of Stuttgart for the purpose of publication.

The Management Board will in addition as a precaution in accordance with Section 5 (3), 194 (2) German Transformation Act (*Umwandlungsgesetz – UmwG*) also forward the Terms of Conversion to competent works council at least one month before the date of the General Meeting.

5.5. Ordinary General Meeting of RIB Software AG

The General Meeting of RIB Software AG is responsible pursuant to Article 37 (7) SE Regulation for the adoption of a resolution on the consent to the Terms of Conversion and the approval of the SE Statutes. The Management Board and the Supervisory Board of RIB Software AG therefore submit the Terms of Conversion together with the SE Statutes including the appointment of the members of the first Administrative Board of RIB Software SE to the Ordinary General Meeting of RIB Software AG on 31 May 2016 under agenda item 7 for the adoption of a resolution. This resolution requires a majority of at least three-quarters of the share capital represented during the adoption of the resolution.

Convenience Translation

Analogous to Sections 197 (1) German Transformation Act (*UmwG*), 30 (1) sentence 1 German Stock Corporation Act (*AktG*), the General Meeting also appoints the auditors for the first fiscal year of RIB Development SE in the context of the adoption of a resolution on the Terms of Conversion. The Supervisory Board proposes in this respect that BW PARTNER Bauer Schätz Hasenclever Partnerschaft mbB Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart be appointed.

5.6. Employee involvement procedure

A procedure pertaining to the involvement of employees in the future RIB Software SE is to be carried out in accordance with the provisions of the SE Involvement Act in the context of the form-changing conversion of RIB Software AG into an SE. The objective of this procedure is the conclusion of an Involvement Agreement. The Involvement Agreement is in particular to govern the procedure for the information and consultation of employees by creating an SE Works Council or by any other procedure for information and consultation pursuant to Sec. 21 (1) and (2) SE Involvement Act; in the event that the parties do not reach an agreement on employee participation, its content is to be recorded pursuant to Sec. 21 (3) SE Involvement Act. Since a conversion is concerned, an Involvement Agreement must pursuant to Sec. 21 (6) SE Involvement Act with respect to all components of employee involvement at least ensure the same level of employee participation as exists at RIB Software AG.

The SE Statutes may not at any time conflict with the Involvement Agreement (Article 12 (4) SE Regulation). Should any conflict result, the SE Statutes are to be amended by the General Meeting.

The negotiation procedure on the conclusion of the Involvement Agreement begins upon the information of the employee representations and executive staff committees or the employees in the company to be converted, the affected subsidiaries affected and the affected business establishments in the Members States about the conversion plan and the written request to form a special negotiating body ("**SNB**") (Sec. 4 (1) sentence 1, (2) sentence 1 and 2 SE Involvement Act). Pursuant to Sec. 4 (2) sentence 3 SE Involvement Act, the information must be provided without being requested to provide such and without undue delay after the publication of the Terms of Conversion. The Management Board will proceed accordingly.

The employee involvement procedure in the SE has not yet been completed at the time this Report is made. Therefore only the negotiation procedure and possible outcomes of the procedure can be presented in this Report before the procedure has been concluded. This description can be found in Section 6.1.7 of this Report when the Terms of Conversion are explained.

5.7. Entry in the Commercial Register

If the General Meeting of RIB Software AG consents to the Terms of Conversion and approves the SE Statutes, the Management Board of RIB Software AG applies to the Commercial Register responsible for RIB Software AG for entry of the conversion therein. The Commercial Register of

Convenience Translation

the Regional Court of Stuttgart has jurisdiction. The change in the legal form of RIB Software AG into an SE takes effect upon entry in the Commercial Register.

The registration application includes a declaration pursuant to Article 15 (1) SE Regulation in conjunction with Sections 198 (3), 16 (2) German Transformation Act (*UmwG*) no action has been brought against the entry into force of the conversion resolution, or that any action brought was not filed in due time or was dismissed by a ruling that has become final and conclusive, or that such action has been retracted. If such a negative declaration has not been provided, the conversion may not be entered in the Commercial Register ("registration ban").

In the event of any action against the validity of the conversion resolution of the General Meeting of RIB Software AG, an approval procedure pursuant to Article 15 (1) SE Regulation, Sections 198 (3), 16 (3) German Transformation Act (*UmwG*) can be carried out. In such a procedure the registration ban can be overcome by the Company if (i) the action is inadmissible or manifestly unfounded or (ii) the plaintiff has failed to provide evidence by submitting the corresponding deeds, within one week of having served the petition, that he has been holding a pro-rated amount of at least EUR 1,000,00 since the notice convening the General Meeting was published or (iii) the prompt entering into force of the conversion appears to take precedence because the court holds, at its discretion and conviction, that the significant disadvantages for the Company and its shareholders as presented by the petitioner outweigh the disadvantages the respondent stands to suffer unless a particularly grave violation of the law exists (Sec. 16 (3) sentence 3 German Transformation Act (*UmwG*)).

RIB Software SE may first be entered in the Commercial Register when the employee involvement procedure has been completed (cf. Section VIII. of the Terms of Conversion and the explanation in this respect in [Section 6.1.7](#) of this Report). This is the case if the Involvement Agreement has been concluded or the negotiation period for the Involvement Agreement has expired with any agreement being concluded (Article 12 (2) SE Regulation).

Insofar as all registration requirements have been met, the Register Court will enter the conversion in the Commercial Register. The SE acquires its legal personality upon entry of the conversion in the Commercial Register (Article 16 (1) SE Regulation). RIB Software AG is not defunct as a company, but merely changes its legal form.

The entry of the conversion will be publicised pursuant to Article 15 (2) in conjunction with Article 13 SE Regulation. The entry will also for information purposes be published in the Official Journal of the European Union pursuant to Article 14 SE Regulation.

5.8. Constitution of the first Administrative Board of RIB Software SE and appointment of the Managing Directors

The offices of the current Management Board and Supervisory Board members of RIB Software AG end when the conversion takes effect.

Convenience Translation

RIB Software SE is, unlike RIB Software AG, to be organised on the basis of a one-tier management system and is to have an Administrative Board as management body and Managing Directors who are responsible management of the Company.

5.8.1. Administrative Board of RIB Software SE

The first Administrative Board of RIB Software SE has eight members. It is intended that five of the current members of the Supervisory Board of RIB Software AG and three current members of the Management Board of RIB Software AG are appointed as members of the first Administrative Board of RIB Software SE.

The members of the first Administrative Board are appointed in Section V of the Terms of Conversion and therefore in the event of approval of the Terms of Conversion by the General Meeting held on 31 May 2016.

5.8.2. Managing Directors of RIB Software SE

The first Administrative Board of RIB Software SE will appoint the Managing Directors (Article 43 (1) sentence 2 SE Regulation in conjunction with Sec. 40 (1) sentence 1 SE Involvement Act) in its constituent meeting. This must take place before the conversion takes effect because the Managing Directors have to be specified when filing the conversion with the Commercial Register and have to sign the registration filing (Sec. 21 SE Regulation Implementation Act). It is intended that the members of the Management Board of RIB Software AG who have held office to date are appointed as Managing Directors of RIB Software SE.

6. Explanation of the Terms of Conversion and SE Statutes

6.1. Explanation of the Terms of Conversion

Pursuant to Article 37(4) SE Regulation, the Management Board of the Company has to draw up Terms of Conversion, which were notarised on 12 April 2016 (deed no 407/2016 L of the notary public Dr Rainer Laux, Stuttgart).

Since the SE Regulation has no explicit requirements for the content of the Terms of Conversion, the Management Board of RIB Software AG has used the requirements of Article 20 SE Regulation for draft terms of merger as a basis to the extent that these requirements do not refer exclusively to a merger, but also make sense in the context of formation of an SE by conversion. The Management Board has also taken the requirements placed on a conversion resolution in accordance with Sec. 194 German Transformation Act (*Umwandlungsgesetz – UmwG*).

The content of the Terms of Conversion is explained below.

6.1.1. Conversion of RIB Software AG into RIB Software SE (Sections I. and II.)

Under the Terms of Conversion of the Company, RIB Software AG will be converted into a European company (Societas Europaea, SE, Articles 2(4) and 37 SE Regulation). The Company has

Convenience Translation

holdings in a total of 34 subsidiaries, eight of which have their registered office in Germany and a further six of which have their registered office in other Member States of the European Union. These for example include RIB Software (UK) Limited with its registered office in London, United Kingdom, registered with the Companies House for England and Wales under registration number 04322112, in whose share capital the Company holds a 100% stake. The Company has held this stake since 2001 and thus for more than two years. It therefore meets the requirements of Article 2 (4) SE Regulation for the conversion into an SE pursuant to Article 37 SE Regulation.

The Terms of Conversion also specify that the shareholders' stake in the Company will continue unchanged because the legal entity remains identical after conversion has taken place.

In Section II. of the Terms of Conversion it is defined that shareholders who object to the conversion will not be offered any cash compensation in compliance with statutory provisions.

6.1.2. Effective Date of the Conversion (Section III.)

Section III. of the Terms of Conversion refers to Article 16(1) SE Regulation regarding the legal effect of the conversion, with the conversion coming into effect on the date of its entry into the commercial register with jurisdiction for the Company, and defines this date as the Conversion Date. In this case the applicable commercial register is that of the Local Court of Stuttgart.

RIB Software SE may only be entered into the register once the employee involvement negotiations are completed (see Section VIII. of the Terms of Conversion and the related explanation in [Section 6.1.7](#) of this Report).

6.1.3. Company name, registered office, share capital and Statutes (Section IV.)

Section IV. of the Terms of Conversion specifies the company name, registered office, share capital and statutes of RIB Software SE.

The future Company name will be RIB Software SE. This change of name is necessary as under Article 11 (1) SE Regulation an SE must add "SE" before or after its name.

The registered office of the Company will remain in Stuttgart (Section IV. of the Terms of Conversion). Its headquarters will also continue to be located there.

Section IV. of the Terms of Conversion contains provisions on the share capital and shares of the Company. The share capital of RIB Software AG in the amount on the Conversion Date (currently EUR 46,845,675) becomes the share capital of RIB Software SE. The division into shares remains unchanged. Accordingly, the share capital of RIB Software SE is divided into 46,845,675 registered shares with a par value of EUR 1.00.

The shareholders of RIB Software AG will participate in the share capital of RIB Software SE to the same extent and with the same number of shares with the same par value as they did immediately preceding the Conversion Date. Third-party rights which exist to shares of the

Convenience Translation

Company immediately preceding the Conversion Date continue to exist to the shares of RIB Software SE.

To ensure that the capital relations of the Company are not changed by the conversion, Section IV. of the Terms of Conversion specify that on the Conversion Date,

- the share capital figure and division of share capital of RIB Software SE pursuant to Section 4 (1) and (2) of the SE Statutes correspond to the share capital figure and division of share capital of RIB Software SE pursuant to Section 4 (1) and (2) of the AG Articles of Association;
- the amount of authorised capital pursuant to Section 4 (4) of the SE Statutes corresponds to the amount of authorised capital pursuant to Section 4 (4) of the AG Articles of Association;
- the amount of conditional capital pursuant to Section 4 (5) of the SE Statutes corresponds to the amount of conditional capital pursuant to Section 4 (5) of the AG Articles of Association.

Further, the Supervisory Board of RIB Software AG (and alternatively the Administrative Board of RIB Software SE) is authorised in Section IV. of the Terms of Conversion to carry out any changes to the version of the SE Statutes prior to the Conversion Date, in order to record any changes in the share capital, authorised capital and conditional capital in the SE Statutes up to the Conversion Date. This authorisation is based on Section 179 (1) sentence 2 German Stock Corporation Act (*AktG*), according to which the General Meeting can transfer to the Supervisory Board the power to carry out changes to the SE Statutes which only relate to the version. This provision also applies by virtue of the reference in Article 9 (1) c (ii) SE Regulation to the SE and to the Administrative Board of a one-tier SE (see Section 22 (6) SE Regulation Implementation Act).

Section IV. of the Terms of Conversion finally stipulates that RIB Software SE receives the Statutes attached to the Terms of Conversion as an annex. This is part of the Terms of Conversion and is explained in detail in [Section 6.2](#) of this Report.

6.1.4. Corporate Bodies of the Company (Section V.)

Pursuant to Article 38 b) SE Regulation, an SE can have either a managerial and a supervisory body (two-tier system) or an administrative body (one-tier system). The definition is made in the SE Statutes. With reference to Section 5 of the SE Statutes, Section V. of the Terms of Conversion specifies that the existing two-tier managerial and supervisory system at RIB Software AG with the Management Board as managerial body and the Supervisory Board as supervisory body will no longer be retained in RIB Software SE; instead the one-tier system with an Administrative Board as the administrative body is to be applied. Accordingly, the corporate bodies of RIB Software SE are the Administrative Board and the General Meeting.

Convenience Translation

Section V. of the Terms of Conversion specifies that the Administrative Board of RIB Software SE has eight members. Below, the composition and first Administrative Board members of RIB Software SE is described.

Since the offices of the members of the Management Board and the members of the Supervisory Board of RIB Software AG end on the Conversion Date, the members of the Administrative Board of RIB Software SE must be newly appointed. The members of the Administrative Board are appointed by the General Meeting (Article 43 (3) sentence 1 SE Regulation). Article 43 (3) sentence 2 SE Regulation specifies an appointment of the members of the first Administrative Board in the Statutes of the SE. Pursuant to Article 6 SE Regulation, the Terms of Conversion are equal to the SE Statutes as instrument of incorporation. Correspondingly, at RIB Software SE the members of the first Administrative Board should be chosen with the consent of the General Meeting to the Terms of Conversion. Section V. of the Terms of Conversion specifies the following persons for election as members of the first Administrative Board der RIB Software SE:

- Ms Sandy Möser, Managing Director of Mühl24 GmbH, Hungen, and Mühl24 Baubedarf GmbH, Wetzlar, resident in Riechheim,
- Dr Matthias Rumpelhardt, Managing Director of Dacapo 2 GmbH, Berlin, resident in Berlin,
- Mr Klaus Hirschle, Sales Director Consumer Channels, Alfred Kärcher Vertriebs-GmbH, Winnenden, resident in Waldenbuch,
- Prof Martin Fischer, Professor of Civil and Environmental Engineering at Stanford University, California, USA, resident in Menlo Park, California, USA,
- Mr Steve Swant, Executive Vice President, Administration and Finance at Georgia Institute of Technology, Georgia, USA, resident in Marietta, Georgia, USA,
- H Mr Thomas Wolf, Chairman of the Management Board of RIB Software AG, resident in Singapore,
- Mr Michael Sauer, member of the Management Board of RIB Software AG, resident in Neuhausen/F.,
- Mr Helmut Schmid, member of the Management Board of RIB Software AG, resident in Mannheim.

The first five persons specified above are currently members of the Supervisory Board of the Company. The General Meeting which is to decide on the conversion of the Company into an SE must at the same time decide on the elections to the Supervisory Board. The Supervisory Board proposes the re-election of the five members of the Supervisory Board mentioned above; the General Meeting is not bound by this election proposal. Mr Wolf, Mr Sauer and Mr Schmid are currently members of Management Board of the Company (see also [Section 6.1.6](#) of this Report).

Convenience Translation

The offices of the members of the first Administrative Board end with the end of the General Meeting, which decides on the discharge for the third fiscal year after the start of their term in office (the fiscal year in which the term of office began is not counted), at the latest six years after the Conversion Date. The term of office shall therefore correspond to the regular office cycle pursuant to Section 6 (4) of the SE Statutes (see also [Section 6.2.4.1](#) of this Report). The Management Board thus shares the widely held opinion that it is inappropriate to shorten the period in office of the members of the first Administrative Board.

Section V. of the Terms of Conversion picks up the statutory provision of Section 40 (1) sentence 1 SE Regulation Implementation Act, under which the Administrative Board appoints a managing director or several managing directors. These manage the Company's business pursuant to Section 40 (2) sentence 1 SE Regulation Implementation Act (see also Section 12 (4) of the SE Statutes).

the Terms of Conversion specify in Section V. that decisions of the General Meeting of RIB Software AG still apply unchanged at RIB Software SE insofar as they are not yet completed by the Conversion Date. This applies in particular to the authorisation granted by resolution of the General Meeting of 24 May 2012 pursuant to Section 71 (1) sentence 1 no. 8 German Stock Corporation Act (*AktG*) on the acquisition and usage of own shares of RIB Software AG. This refers to the shares of RIB Software SE from the Conversion Date onwards.

6.1.5. Special Rights (Section VI.)

Applying the statutory provisions on the terms of merger (see Article 20 (1) f) SE Regulation), the Terms of Conversion contain information on the rights which RIB Software SE grants to the shareholders with special rights and the owners of other securities as shares or measures intended for this person. The term "special rights" is not specified in the SE Regulation. It requires rights to be granted which are not conveyed by ordinary shares of the converting Company. In particular, non-voting preference shares, shares with cumulative votes or restrictions on the exercise of voting rights as well as bonds and participation rights are covered. By contrast, special exemptions under the law of obligations, such as voting right agreements which have been agreed between individual shareholders, are not covered.

RIB Software AG has no shareholders with special rights.

As described in Section VI. of the Terms of Conversion, under the Stock Option Program 2011/13 the Management Board was authorised with the consent of the Supervisory Board, and insofar as members of the Management Board are authorised, the Supervisory Board alone was authorised to issue up to 1,548,616 subscription rights to one share each with a par value of EUR 1.00 in several tranches until 19 May 2016, and up to 600,000 subscription rights to members of the Management Board, up to 248,616 subscription rights to members of the management of affiliated companies and up to 700,000 subscription rights to employees of the Company and affiliated companies. The subscription rights have a term of seven years. The waiting period for the first-time exercise is four years from the date on which the subscription rights are granted. The condition for the exercise of these rights is that the defined performance targets are

Convenience Translation

achieved. The exercise price to be paid for each share to be issued after the subscription right has been exercised is EUR 1.00. 260,688 stock options have been granted on the basis of the Stock Option Program 2011/2013.

As set out further in Section VI. of the Terms of Conversion, by resolution of the General Meeting of RIB Software AG on 10 June 2015 the authorisation to issue further subscription rights under the Stock Option Program 2011/13 was cancelled. At the same time, the Management Board was authorised with the Stock Option Program 2015 with the consent of the Supervisory Board and insofar as members of the Management Board are authorised, the Supervisory Board alone was authorised to issue up to 1,548,616 subscription rights to one share each with a par value of EUR 1.00 in several tranches until 9 June 2020, and up to 600,000 subscription rights to members of the Management Board, up to 248,616 subscription rights to members of the management of affiliated companies and up to 700,000 subscription rights to employees of the Company and affiliated companies. The subscription rights have a term of seven years. The waiting period until the first exercise of these rights is four years after being issued. The condition for the exercise of these rights is that the defined performance targets are achieved. The exercise price to be paid for each share to be issued after the subscription right has been exercised is EUR 1.00. 210,026 stock options have currently been issued on the basis of the Stock Option Program 2015.

The “Conditional Capital 2015/I” pursuant to Section 4 (5) of the AG Articles of Association serves to provide security for the subscription rights issued from the Stock Option Programs 2011/13 and 2015.

Finally, Section VI. of the Terms of Conversion specifies that during the conversion those entitled under the Stock Option Programs 2011/13 and 2015 receive subscription rights to shares in RIB Software SE instead of shares in RIB Software AG. The number of subscription rights or shares and the conditions for issue are not changed by the conversion. The Conditional Capital of RIB Software AG that serves to secure the Stock Option Programs 2011/13 and 2015, continues to exist in a corresponding form in RIB Software SE pursuant to Section 4 (5) of the SE Statutes.

Modelled after the Stock Option Program 2011/13, RIB Software AG issued a total of 14,000 “phantom shares” to employees of affiliated companies in the year 2013. The phantom shares do not establish any claim to the issue and delivery of shares of the Company, but only establish a claim to payment of the beneficiary which is based in terms of its amount on the market price of the shares which would be granted in accordance with the Stock Option Program 2011/13. In this respect, the terms of the Stock Option Program 2011/13 apply accordingly to the phantom shares subject to the condition, however, that no real shares are issued and delivered, but only a payment is made instead. The phantom shares are therefore not secured by the Conditional Capital either. The conversion of the legal form does not have any impact on the phantom shares. The terms of the payments which have to be made based on the granting of phantom shares are, however, after the conversion into an SE has been carried out based on the share price of RIB Software SE instead of the share price of RIB Software AG.

Convenience Translation

The Terms of Conversion also specify in Section VI. that no rights beyond those described in this Section VI. are granted to the persons specified in Article 20 (1) f) SE Regulation and no measures are planned for these persons.

6.1.6. No special benefits (Section VII.)

Applying the statutory provisions regarding merger terms (see Article 20 (1) f) SE Regulation), Section VII. of the Terms of Conversion contains a rule on special benefits. Special benefits are advantages granted during the conversion to the Independent Expert certifying the capital pursuant to Article 37 (6) SE Regulation or to the members of the administrative, managerial, supervisory or control bodies of the converting company, i.e. RIB Software AG.

No special benefits will be granted in the course of the conversion to shareholders of RIB Software AG, members of the Management Board or the Supervisory Board of RIB Software AG, members of the Administrative Board or to Managing Directors of RIB Software SE or the experts who review the conversion procedure.

It is pointed out as a purely precautionary measure that in Section VII. of the Terms of Conversion notwithstanding the statutory power of the Administrative Board of RIB Software SE to appoint managing directors, it is assumed that the members of the Management Board of RIB Software AG who have held office to date will be appointed as Managing Directors of RIB Software SE.

It is also pointed out as a purely precautionary measure that, the current members of the Supervisory Board or the Management Board of RIB Software AG specified in Section V. of the Terms of Conversion (see also [Section 6.1.4](#) of this Report) are to be appointed as members of the first Administrative Board of RIB Software SE. It is further pointed out as a purely precautionary measure that in the event of their appointment as members of the first Administrative Board, the current Chairman of the Management Board of RIB Software AG, Thomas Wolf, is proposed to be appointed as chairman of the first Administrative Board of RIB Software SE and the current Chairwoman of the Supervisory Board of RIB Software AG, Sandy Möser, is proposed to be appointed as deputy chairwoman of the first Administrative Board of RIB Software SE.

In conclusion, it is as a purely precautionary measure pointed out in Section VII. of the Terms of Conversion that the court-appointed independent expert within the meaning of Article 37 (6) SE Regulation, BW PARTNER Bauer Schätz Hasenclever Partnerschaft mbB Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, was the statutory auditor of RIB Software AG in recent years and pursuant to Section X. of the Terms of Conversion is also to be appointed statutory auditor for the first fiscal year of RIB Software SE (see also [Section 6.1.9](#) of this Report).

6.1.7. Negotiations on employee involvement (Section VIII.)

Section VIII. of the Terms of Conversion contains information on the employee involvement procedure. The objective of this procedure is the conclusion between the Management Board of RIB Software AG and the SNB of an involvement agreement pursuant to the provisions of the SE

Convenience Translation

Involvement Act and the national provisions for the transposition of the SE Involvement Directive in the other Member States in which the RIB Group has employees.

The statements contained in the Terms of Conversion and the comments on this in this Report have to leave the outcome of the negotiations and the specific form of the involvement of employees, i.e. the forms of information, consultation and participation with which the representatives of the employees can exert influences on the adoption of resolutions at the Company, open. The reason for this is that at the time this Report is presented the employee involvement procedure has not yet been completed.

6.1.7.1. Principles and definition of the employee involvement procedure

To secure the rights of the employees of RIB Software AG rights in corporate decisions, the conclusion of an Involvement Agreement is to be negotiated with the SNB in connection with the conversion of the Company into an SE. The details of the negotiation procedure are based on the SE Involvement Act. If – as in the case of RIB Software AG – an SE is founded by conversion, Sec. 21 (6) SE Involvement Act provides that the Involvement Agreement must with respect to all components of employee involvement at least ensure the same level of employee participation as exists at the company to be converted. The employee involvement procedure is therefore characterised by the objective of securing the acquired rights of the employees of RIB Software AG. An Involvement Agreement may not reduce the existing involvement rights of employees (Sec. 15 (5) SE Involvement Act). The exact subject of the involvement is defined in Sec. 2 SE Involvement Act:

“Involvement of employees” describes pursuant to Sec. 2 (8) SE involvement Act any procedure – including information, consultation and participation – via which the representatives of the employees can exert influence on the adoption of resolutions at the Company.

“Information” in turn describes pursuant to Sec. 2 (1) sentence 1 SE Involvement Act the information of the SE Works Council or other employee representatives by the management of the SE, i.e. the Administrative Board, about affairs which concern the SE itself or one of its subsidiaries or one of its business establishments in another Member State or exceed the powers of the competent bodies at the level of the individual Member State. In this respect, the time and form as well as the content of the information are pursuant to Sec. 2 (10) sentence 2 SE Involvement Act to be chosen such that it is possible for the employee representatives to review expected implications in detail and, if necessary, to prepare for a consultation with the management of the SE (the Administrative Board).

“Consultation” means pursuant to Sec. 2 (11) sentence 1 SE Involvement Act the establishment of a dialogue and an exchange of opinions between the SE Works Council or other employee representatives and the management of the SE or another competent level of management equipped with its own decision-making powers, whereby the management, however, remains at liberty to decide freely. It applies here as well that the time, form and content of the consultation should enable the SE Works Council on the basis of the information to submit a statement

Convenience Translation

regarding the planned measures which can be taken into consideration in the context of the decision-making process within the SE (Sec. 2 (11) sentence 2 SE Involvement Act).

“Participation” gives employees the most extensive influence; it includes pursuant to Sec. 2 (12) SE Involvement Act the right to appoint or elect some of the members of the supervisory or administrative body of the Company or to recommend or reject the appointment of these members.

6.1.7.2. Current situation and consequences of the conversion

No provisions currently apply at RIB Software AG as parent company of the RIB Group regarding the participation of employees in supervisory or administrative bodies. In particular, the German Act on One-Third Participation of Employees in the Supervisory Board (*Gesetz über die Drittelbeteiligung der Arbeitnehmer im Aufsichtsrat*, “**One-Third Participation Act**”) is not to be applied to the Company. Even if the employees of the Company’s subsidiaries are to be attributed to the Company – which is, pursuant to the provisions of the One-Third Participation Act, not the case – the Company does would still not normally have more than 500 employees and the application threshold specified in Section 1 (1) no. 1 One-Third Participation Act is therefore not reached.

A works council has been formed at RIB Software AG. No employee representations exist, however, at group level or at European level.

If an Involvement Agreement is concluded, the procedure for information, consultation and participation set forth therein applies.

If no agreement is reached on an Involvement Agreement between the Management Board of RIB Software AG and the SNB, the statutory standard rule pursuant to Section 22 ff. SE Involvement Act applies. Pursuant to Section 22 (1) no. 2 SE Involvement Act, an SE works council, which is described in more detail in [Section 6.1.7.6](#) of this Report, would have to be established at RIB Software SE. With respect to participation in the RIB Software SE, its Administrative Board would in this case, like the Supervisory Board of RIB Software AG, only consist of representatives of the shareholders. There would be no participation of employees in the Administrative Board of RIB Software SE pursuant to Section 34 (1) no. 1 SE Involvement Act because likewise no provisions regarding the participation of employees in the supervisory or administrative body applied to the Company prior to the conversion.

The employee representations formed at company or business establishment level remain unaffected by the conversion into an SE in in terms of their existence, composition and rights

6.1.7.3. Initiation of the employee involvement procedure

Section VIII. of the Terms of Conversion describes the initiation of the employee involvement procedure by informing the employees and the employee representations about the conversion

Convenience Translation

plan by requesting the formation of the SNB. The information and the request are required by Sec. 4 (1) and (2) SE Involvement Act.

The employee involvement procedures is initiation in accordance with the provisions of the SE Involvement Act. Accordingly, the management of the company involved, i.e. the Management Board of RIB Software AG; must request the formation of the SNB and inform the employees or their affected employee representations about the conversion plan. The procedure must be initiated by the information of the employees or their representations which must take place without being requested and at the latest without undue delay after the publication of the Terms of Conversion by the Management Board of RIB Software AG (Sec. 4 (2) sentence 3 SE Involvement Act). The Management Board of RIB Software AG will proceed accordingly and will in accordance with statutory requirements request the employee representations and the executive staff committees, and, insofar as no employee representations exist, the employees of RIB Software AG, its subsidiaries and business establishments to form a SNB and the same time inform them about the conversion plan.

The required information of the employees or their affected employee representations in particular includes (i) the unchanged identity and the structure of RIB Software AG, its subsidiaries and business establishments in the Member States and their distribution across the Member States; (ii) the employee representations existing in these companies and business establishments; (iii) the number of employees employed (both overall and broken down by companies and business establishments) and (iv) the number of employees who are entitled to participation rights in the bodies of these companies.

6.1.7.4. Formation, composition and constitution of the SNB

Section VIII. describes the statutory requirement that the employees employed in each Member State or their affected employee representations should elect or appoint the members of the SNB within ten weeks after the procedure has been initiated by the required information of the employees or their affected employee representations (see [Section 6.1.7.3](#) of this Report). The SNB is comprised of employee representations of all Member States in which the RIB Group has employees.

The task of the SNB is to negotiate the procedural organisation of employee involvement and to establish the participation rights of the employees in the SE with the Company's management.

The formation and composition of the SNB is described in Section VIII. of the Terms of Conversion. It is in principle based on German law (Sections 4 to 7 SE Involvement Act). The allocation of the seats on the SNB to the Member States in which RIB Software AG has employees is regulated for the incorporation of an SE with registered office in Germany in Section 5 (1) SE Involvement Act: For the distribution of the seats the Terms of Conversion describe the basic statutory rule, according to which, each Member State in which employees of the RIB Group are employed receives at least one seat on the SNB. The number of seats allocated to an Member State increases in each case by one seat if the number of employees employed in such Member State

Convenience Translation

exceeds the thresholds of 10%, 20%, 30% etc., in each case in relation to the total number of employees of the RIB Group employed in all Member States.

Based on the employee numbers in the Member States on 31 March 2015, a total of 13 seats, which are distributed as follows, are allocated to the Member States:

Member State	Number of employees	Percentage share(rounded) of employees in proportion to the total number of employees in the Member States	Number of seat in the SNB
Germany	336	79.62%	8
Denmark	37	8.77%	1
Austria	31	7.35%	1
Spain	15	3.55%	1
Czech Republic	1	0.24%	1
United Kingdom	2	0.47%	1
Total	422	100.00%	13

The relevant national regulations in each case apply for the election or appointment of the members of the SNB from the individual Member States. The election or appointment of the members and the constitution of the SNB are in principle the responsibility of the employees and their affected employee representations or the trade unions responsible for them.

Pursuant to Section 8 (1) sentence 1 SE Involvement Act, the members of the SNB allotted to the employees employed in Germany by companies, affected subsidiaries and affected business establishments involved in the formation on the SE, are elected by an election committee in a secret direct ballot. Pursuant to Section 8 (2) sentence 1 SE Involvement Act, the election committee also in principle represents employees whose business establishments and enterprises have not elected a works council because only one corporate group is involved in the conversion of RIB Software AG into an SE.

The manner in which the composition of the election committee in Germany is determined is based on which employee representations already exist at the form-changing company, an affected subsidiary or an affected business establishment. The task of the election is in principle to be assumed by the employee representations which exist at the highest level in each case of the works councils. If, as for the conversion of RIB Software AG into an SE, only one corporate group from Germany is involved in the formation of the SE, the election committee consists of the members of the group works council or, if a central works council does not exist, of the members of the works council or the works councils.

Convenience Translation

Since only the Works Council of RIB Software AG has been formed in the German companies of the RIB Group, the election committee which is responsible for the election of the domestic (i.e. Germany) members of the SNB consists of the members of the Works Council of RIB Software AG due to the lack of any group of central works council.

Domestic employees of the companies and establishments, as well as trade union representatives can be elected as members of the SNB, whereby women and men should be elected in accordance with their proportionate staff numbers (Section 6 (2) sentence 1 SE Involvement Act). Every third member is to be elected at the suggestion of a trade union represented at RIB Software AG (Section 8 (1) sentence 2 in conjunction with Section 6 (3) SE Involvement Act). If more than six members from Germany belong to the Special Negotiating Body, at least every seventh member is at the suggestion of the Executive Staff Committee, or if no Executive Staff Committee exists at the suggestion of the executive staff, to be elected from members of the executive staff (Section 8 (1) sentences 5 and 6 in conjunction with Section 6 (4) SE Involvement Act). A replacement member is to be elected for each member (Sec. 6 (2) sentence 3 SE Involvement Act). If more than two members from Germany belong to the SNB – which will be the case – every third member must pursuant to Sec. 6 (3) SE Involvement Act be a trade union representative. If more than six members from Germany belong to the SNB – which will likewise be the case here – at least every seventh member must pursuant to Sec. 6 (4) SE Involvement Act be a senior executive.

Only the basic principles of the election procedure are regulated in Sec. 10 SE Involvement Act. At least two-thirds of the members of the election committee who represent at least two-thirds of the employees must, for example, be present during the election. The members of the election committee each have as many votes as the employees they represent.

The procedure for the formation of the SNB ends with its constituent meeting. The Management Board of RIB Software AG must invite to this meeting after the members of the SNB have been appointed or without undue delay after expiry of ten weeks after the information of the employees as defined by Sec. 4 (2), (3) (see also Section 6.1.7.3 in this respect), depending on which event occurs earlier (Sections 12 (1), 11 (1) SE Involvement Act).

6.1.7.5. Negotiation of the Involvement Agreement

The negotiations on the Involvement Agreement can take up to six months, starting with the date on which the Management Board of RIB Software AG has issued an invitation to the inaugural meeting of the Special Negotiating Body. However, the parties can mutually decide to extend the negotiating period by up to a year (§ 20 SE Involvement Act (*SEBG*)).

The negotiation procedure also takes place if the ten-week time limit is exceeded for reasons for which the employees are responsible (§ 11 (2)(1) SE Involvement Act (*SEBG*)). Thus it is in the interest of the employees to conclude the election or appointment of members of the Special Negotiating Body within the ten-week time limit. Members elected or appointed after the expiry of the time limit can take part in the negotiation procedure at any time (Section 11 (2)(2) SE Involvement Act (*SEBG*)).

Convenience Translation

If such changes in the structure or number of employees of RIB Software AG, its subsidiaries or establishments arise during the period in which the Special Negotiating Body carries out its activities that the specific composition of the Special Negotiating Body would change, then the Special Negotiating Body is to be reformed in accordance with Section 5 (4) SE Involvement Act (*SEBG*).

Section VIII. of the Terms of Conversion describes the possible results to which the negotiations can lead:

– Conclusion of an Involvement Agreement

In this case, the involvement rights of the employees at RIB Software SE will be based on this agreement. In this respect, Section 21 SE Involvement Act (*SEBG*) specifies the minimum content which the Involvement Agreement must have. Amongst other things, Section 21 (1) SE Involvement Act (*SEBG*) provides that in the event that the parties agree on the establishment of an SE works council, its composition, the number of its members and the allocation of seats, its powers and the procedure for its information and consultation, the frequency of its meetings and the financial and physical means to be provided are to be determined. If no SE works council is established, the parties must determine implementation arrangements for the information and consultation procedure or procedures to an appropriate extent (Section 21 (2) SE Involvement Act (*SEBG*)). Pursuant to Section 21 (6) SE Involvement Act (*SEBG*), the Involvement Agreement must with respect to all employee involvement components guarantee at least the same degree of employee involvement as exists at RIB Software AG as the company converting its legal form.

The conclusion of an Involvement Agreement requires a resolution by the Special Negotiating Body. The resolution is passed by the majority of the members who at the same time have to represent the majority of the represented employees and has to be recorded in minutes according to Section 17 (1)(1) SE Involvement Act (*SEBG*). A resolution resulting in a reduction in the participation rights cannot be adopted (Section 15 (5) SE Involvement Act (*SEBG*)).

– No agreement reached in negotiation procedure

If no agreement is reached in the negotiation procedure, the statutory standard rule applies as set out in Sections 22 ff. SE Involvement Act (*SEBG*). The details of this are explained in Section 6.1.7.7 of this Report.

– Resolution of the Special Negotiating Body not to commence negotiations or to break off any negotiations already commenced

Such a resolution would end the negotiation procedure without the statutory standard rule being applied, with the result that an SE works council would not have to be established at RIB Software SE. The Administrative Board of RIB Software SE would in this case as well, like

Convenience Translation

the Supervisory Board of RIB Software AG, only consist of representatives of the shareholders. According to Section 16 (1)(2) SE Involvement Act (*SEBG*) the resolution requires a majority of two thirds of the members who represent at least two thirds of the employees in at least two Member States. According to Section 17 (1)(2) SE Involvement Act (*SEBG*), this must be recorded in minutes and signed by the chairperson and a further member of the Special Negotiating Body.

6.1.7.6. Content of the Involvement Agreement

Section VIII. of the Terms of Conversion points out that Section 21 SE Involvement Act (*SEBG*) specifies the minimum content of an Involvement Agreement, highlighting a few of the items for which provisions have to be made by way of example. According to Section 21 SE Involvement Act (*SEBG*), provisions have to be agreed on the following items:

- scope of application of the agreement,
- composition of the SE works councils, the number of its members and the allocation of seats, including the implications of material changes in the number of employees employed in the SE,
- powers of the SE works councils and the procedure for informing and consulting the SE works council,
- frequency of the SE works councils meetings,
- the financial and physical means to be provided to the SE works council,
- the date on which the agreement will come into force and its duration, as well as the cases in which the agreement should be renegotiated as well as the procedure to be applied.

If the parties agree that no SE works council is to be established, they must determine implementation arrangements for the information and consultation procedure or procedures in the Involvement Agreement in accordance with Section 21 (2) SE Involvement Act (*SEBG*). Agreements on the above-listed items also have to be made in this case.

In the event that an agreement is reached regarding participation, its content has to be determined pursuant to Section 21 (3) SE Involvement Act (*SEBG*). In this case, in particular the following points have to be agreed:

- the number of members of the Administrative Board of RIB Software SE the employees are able to elect or appoint,
- the procedure for the election or appointment and
- the rights of these members.

Convenience Translation

According to Section 21 (4) SE Involvement Act (*SEBG*), it is also necessary to set down in the agreement that negotiations regarding the participation of employees in the SE have to be initiated before any structural changes to the SE, although the parties are able to determine the procedure to be used. Finally, according to Section 21 (5) SE Involvement Act (*SEBG*) it is possible to provide in the Involvement agreement that the statutory standard rules regarding information and consultation apply in whole or in part by operation of law pursuant to Sections 22 to 33 SE Involvement Act (*SEBG*).

6.1.7.7. Statutory standard rule

If an Involvement Agreement does not come into being during the negotiating period (up to six months, although it is possible to extend this by up to one year by mutual agreement), the standard statutory rule in Section 22 ff. SE Involvement Act (*SEBG*) applies; these rules can also be incorporated into employee involvement from the outset.

This would mean for employee involvement in the Administrative Board of RIB Software SE that the Administrative Board would only consist of representatives of the shareholders, like the Supervisory Board of RIB Software AG. Participation by the employees by operation of law in accordance with Section 34 ff. SE Involvement Act (*SEBG*) would not apply at RIB Software SE pursuant to Section 34 (1)(1) SE Involvement Act (*SEBG*) because no provisions regarding participation by the employees in the Supervisory Board applied at the Company before the conversion either.

Regarding the safeguarding of the right to information and consultation of RIB Software SE's employees, the consequence of the statutory standard rule would be that an SE works council would have to be formed. According to Section 27 SE Involvement Act (*SEBG*) it would be responsible for matters affecting the SE itself, one of its subsidiaries or one of its establishments in another Member State or matters extending beyond the powers of the responsible corporate bodies at the level of the individual Member State. The SE works council would, according to Section 28 (1)(1) SE Involvement Act (*SEBG*), have to be notified and consulted about the development of the business situation and perspectives of the SE at least once each calendar year. Similarly, according to Section 29 (1) SE Involvement Act (*SEBG*) it would have to be informed and consulted about any extraordinary circumstances in good time, including in particular the transfer or relocation of undertakings, business operations or material parts of business operations, the closures of undertakings, business operations or material parts of business operations and mass redundancies. The composition of the SE works councils and the election of its members would, according to Section 23 (1) SE Involvement Act (*SEBG*), essentially follow the rules regarding the composition and appointment of members of the Special Negotiating Body.

6.1.7.8. Regular reviews

Section VIII. of the Terms of Conversion points out that if the statutory standard rule applies, the management of RIB Software AG has to review every two years whether changes have occurred at the SE, its subsidiaries or establishments and whether these changes it necessary to alter the

Convenience Translation

composition of the SE works council. If this is the case, the managing directors have to notify the SE works council about the results, and the SE works council subsequently examines whether the changes identified actually make it necessary to alter the composition of the SE works council. If based on the notification from the SE's management the SE works council comes to the conclusion that a relevant change exists, it will arrange at the entities in the Member States affected by the changes that the members of the SE works council in these Member States are newly elected or appointed, as prescribed in Section 25 (3) SE Involvement Act (SEBG).

In addition, if the statutory standard rule applies, the SE works council has to adopt a resolution four years after its deployment regarding whether an Involvement Agreement should be negotiated or whether the arrangements to date should continue to apply (Section 26 (1) SE Involvement Act). By reference in Section 26 (1) SE Involvement Act, the same modalities will generally apply as they apply for the initial negotiation of the Involvement Agreement.

6.1.7.9. Costs

Section VIII. of the Terms of Conversion states that the costs incurred by the creation and the activities of the Special Negotiating Body are borne by RIB Software AG, and after the Conversion Date by RIB Software SE. This corresponds to the statutory provision in Section 19 SE Involvement Act (SEBG). The duty to bear the costs covers the costs of materials and personnel-related costs arising in connection with the activities of the Special Negotiating Body, including the negotiations. In particular, any rooms, equipment (e.g. telephone, fax, necessary literature), interpreters and office staff have to be provided for the meetings to the extent required and the necessary travel and subsistence expense of the members of the Special Negotiating Body have to be borne.

6.1.8. Other consequences for the employees and their representation (Section IX.)

Section IX. of the Terms of Conversion describes the other implications of the conversion for the employees and their representation. Apart from the implications for the employees described in Section VIII. of the Terms of Conversion and [Section 6.1.7](#) of this Report, the conversion of RIB Software AG into an SE does not have any implications for the employees of the RIB Group. The employment relationships of the employees employed by the Company will be continued by RIB Software SE without any changes to their terms and conditions.

The Company is not a member of any employer associations. Similarly, the Company is not bound by any collective bargaining agreement. The existence, composition and periods of office of employee representations at works council and corporate level are not affected by the composition. The existing works agreements continue to exist accordingly pursuant to the relevant agreements. There is no employee representation at group level or any European works council.

The above applies equally to the employment relationships of employees employed at the subsidiaries and establishments concerned, the memberships of these companies in employer associations or similar organisations, the employee representations which exist at these

Convenience Translation

companies or establishments, and the existing works agreements and collective bargaining agreements.

No other measures which have any impact on employees or their representation are intended or planned in connection with, or due to, the conversion.

6.1.9. Statutory auditors (Section X.)

According to Section X. of the Terms of Conversion, BW PARTNER Bauer Schätz Hasenclever Partnerschaft mbB Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Stuttgart will be appointed as statutory auditors for the first financial year of RIB Software SE. The tasks of the statutory auditors of an SE are the same as the tasks of the statutory auditors of a stock corporation; important statutory provisions regarding auditing are found in Sections 316 ff. German Commercial Code (*HGB*). The first financial year of RIB Software SE is the financial year in which the change in form of RIB Software AG into an SE is entered into the commercial register responsible for RIB Software AG. Depending on the duration of the negotiations with the Special Negotiating Body about the conclusion of an Involvement Agreement, this is likely to be 2016 or 2017.

BW PARTNER Bauer Schätz Hasenclever Partnerschaft mbB Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Stuttgart already acted as RIB Software AG's auditors for financial years from the foundation of RIB Software AG in 1999 (inclusive).

6.1.10. Costs (Section XI.)

Section XI. of the Terms of Conversion sets out in conjunction with Article 21 (2) of the SE Statutes that the costs incurred in connection with the notarisation of the Terms of Conversion and their execution are to be borne by RIB Software SE up to an amount of EUR 250,000.00.

6.2. Explanation of the SE Statutes

When the conversion becomes effective, RIB Software AG will change its legal form into that of an SE. The current Articles of Association of RIB Software AG will be replaced by the new Statutes of RIB Software SE. The SE Statutes are part of the Terms of Conversion submitted to the General Meeting of RIB Software AG held on 31 May 2016 for approval.

The present Statutes of RIB Software SE are based on the existing Articles of Association of RIB Software AG, although various aspects have been revised based on the conversion. The provisions of RIB Software SE's future Statutes are explained below, highlighting the main differences compared to the existing Articles of Association of RIB Software AG.

6.2.1. General provisions (Articles 1-3 SE Statutes)

The introductory general provisions in the Statutes of RIB Software SE regarding the company name, registered office and financial year (Article 1), the purpose of the company (Article 2) and

Convenience Translation

announcements (Article 3) are essentially unchanged compared to the currently applicable Articles of Association of RIB Software AG.

6.2.1.1. Company name, registered office and financial year (Article 1 SE Statutes)

Article 1 (1) of the SE Statutes specifies the Company's new legal form as a European company (*Societas Europaea*, SE).

The Company's name will be changed from "RIB Software AG" to "RIB Software SE" as a result of the conversion. The change in the abbreviation indicating the legal form ("SE" instead of "AG") is mandatory pursuant to Article 11 (1) SE Regulation.

Like RIB Software AG, RIB Software SE's registered office will be in Stuttgart, Germany.

The financial year of RIB Software SE corresponds to the calendar year, as is the case for RIB Software AG.

6.2.1.2. Purpose of the Company (Article 2 SE Statutes)

RIB Software SE will have the same company object as RIB Software AG. RIB Software SE will continue to be active in the development, production and sale of EDP programs and the sale of the associated hardware, including maintenance, development, production, marketing and operation of technology and trading platforms, in particular for the construction industry and associated industries, as well as the management of companies active in these areas, in the acquisition and retention of interests of all kinds, in particular for the purpose of financial investment and central management of associated companies (in the form of a holding), as well as investments in projects that use or promote the technologies and products developed by the Company.

When amending the Articles of Association, the opportunity was taken to additionally clarify in connection with activities associated with technology and trading platforms that the operation of such platforms is also included in the Company's objects.

The wording of the authorised activities listed in Article 2 (2) of the SE Statutes has not been changed compared to the AG Articles of Association of RIB Software AG.

6.2.1.3. Announcements (Article 3 SE Statutes)

The Company's announcements are to be made in the German Federal Gazette, as is the case for RIB Software AG.

6.2.2. Share capital and shares (Article 4 SE Statutes)

The contents of the provisions regarding share capital and shares of the Company contained up to now in Article 4 of the Articles of Association of RIB Software AG are largely adopted without any changes in the Statutes of RIB Software SE. The amendments mainly involve adjustments to the

Convenience Translation

governing bodies of the SE as opposed to those of the stock corporation (administrative board instead of supervisory board and management board).

As the conversion is taking place whilst preserving the Company's identity, RIB Software SE's share capital will consist of RIB Software AG's share capital to the value currently existing at the time the conversion is entered in the commercial register (the share capital currently amounts to EUR 46,845,657.00 and is divided into 46,845,657 shares each with a par value of EUR 1.00). The shares will also be registered shares in the future.

The shareholders' right to the securitisation of their shares is excluded by Article 4 (3) of the SE Statutes, as has been the case in Article 4 (3) of the Articles of Association of RIB Software AG.

The authorised and conditional capital of RIB Software AG will become authorised and conditional capital of RIB Software SE in the amounts existing at the time of entry of the conversion in the commercial register (the value of the authorised capital is currently EUR 18,354,784.00 (Authorised Capital 2015) and the value of the current conditional capital is EUR 1,548,616.00 (Conditional Capital 2015/I)).

The responsibilities of the Management Board and Supervisory Board of RIB Software AG in connection with the Authorised Capital 2015 and for the granting and processing of subscription rights in connection with Conditional Capital 2015/I now lie with the Administrative Board of RIB Software SE.

In the event that the share capital, the Authorised Capital 2015 or the Conditional Capital 2015/I is amended before the conversion into an SE becomes effective, the Supervisory Board of RIB Software AG (and alternatively the Administrative Board of RIB Software SE) is, according to Section IV. of the Terms of Conversion, entitled to make any amendments to the wording of the SE Statutes arising from this before the date of conversion.

6.2.3. Single-tier structure, corporate bodies (Article 5 SE Statutes)

Article 38 b) SE Regulation offers the choice between the two-tier system with a management board and a supervisory board and the single-tier system with an administrative board. Article 5 (1) of the SE Statutes provides for the introduction of single-tier corporate governance at RIB Software SE. Furthermore, in Article 5 (2) of the SE Statutes, the Administrative Board and the General Meeting are referred to as corporate bodies of RIB Software SE. RIB Software AG's decision to introduce the single-tier governance structure at RIB Software SE is furthermore supplemented by Article 5 (3) of the SE Statutes under which the managing directors conduct the Company's business by implementing the principles and guidelines established by the Administrative Board.

Convenience Translation

6.2.4. Administrative Board (Articles 6-11 SE Statutes)

6.2.4.1. Composition of the Administrative Board (Article 6 SE Statutes)

According to Article 6 (1) of the SE Statutes, the Administrative Board consists of eight members. The members of the Administrative Board are elected by the General Meeting (Article 6 (3) of the SE Statutes). However, this only applies without prejudice to Article 43 (3) sentence 3 SE Regulation. This means that members of the Administrative Board may in particular have to be elected or appointed by employees if this is agreed in the Involvement Agreement (see [Section 6.1.7.6](#)).

As provided for in Article 40 (1)(2) German SE Regulation Implementation (*SEAG*), Article 6 (2) of the SE Statutes provides that Administrative Board members who do not serve as managing directors of the Company must at all times constitute the majority of the Administrative Board members.

Pursuant to Article 6 (4) of the SE Statutes, the term of office of each Administrative Board member expires at the end of the General Meeting that resolves on the formal approval of actions for the third financial year after the start of the term of office (not including the financial year in which the term of office started) and no later than six years after the Administrative Board member's appointment. Administrative Board members may be reappointed. Under Article 7 (2) of the AG Articles of Association the Supervisory Board members of RIB Software AG can be appointed for one year longer, namely until the end of the General Meeting that resolves on the formal approval of actions for the fourth financial year after the start of the term of office (calculating the period in the same way as in the SE Statutes).

Under Article 6 (5) of the SE Statutes, Administrative Board members who have been appointed by the General Meeting without the General Meeting being bound by election proposals may be removed from office by resolution of the General Meeting adopted with a three-quarter majority of the votes cast. Up to now members of the Supervisory Board could be removed from office by simple majority. This is stated in Article 16 (6) of the AG Articles of Association.

According to Article 6 (6) of the SE Statutes, an Administrative Board member may resign from office for any reason upon giving one month's written notice to the chairperson of the Administrative Board. This provision corresponds to Article 7 (3) of the AG Articles of Association.

Furthermore, Article 6 (7) of the SE Statutes provides that the General Meeting is entitled to appoint a substitute Administrative Board member for each member; this substitute Administrative Board member becomes an Administrative Board member if the Administrative Board member retires prior to the expiry of his term of office. The term of the substitute Administrative Board member expires at the end of the General Meeting in which a successor is appointed, but no later than upon expiry of the term of office of the retired Administrative Board member. The appointment of substitute Administrative Board members for those Board members who have been appointed based on binding election proposals also takes place based on binding proposals.

Convenience Translation

6.2.4.2. Chairperson, deputy chairperson, rules of procedure (Article 7 SE Statutes)

Following the General Meeting in which all of the members of the Administrative Board to be elected by the General Meeting are elected, a meeting of the Administrative Board takes place. A separate invitation is not required for this meeting. At this meeting, the Administrative Board elects a chairperson and a deputy chairperson. To this extent, the provisions correspond to those in Article 8 of the AG Articles of Association. The SE Statutes contain the following additional rules: The terms of office of the chairperson and deputy chairperson correspond to their terms of office as Administrative Board members, unless shorter terms are specified during the election. If the chairperson or the deputy chairperson retires from office ahead of time, the Administrative Board is required to immediately conduct a new election for the remaining term of office of the retiring person.

Under Article 7 (3) of the SE Statutes, the Administrative Board adopts rules of procedure. This corresponds to the provision for the Supervisory Board in Article 10 (1)(1) of the AG Articles of Association.

6.2.4.3. Responsibilities of the Administrative Board (Article 8 SE Statutes)

The responsibilities of the Administrative Board are set out in Article 8 of the SE Statutes. The Administrative Board is the governing body of the SE with a single-tier corporate governance structure. Thus the Administrative Board is responsible for governing the Company, determining its principles and guidelines, and supervising their implementation (Article 22 (1) German SE Regulation Implementation). The Administrative Board acts in accordance with applicable law, the SE Statutes and its Rules of Procedure.

The Administrative Board supervises the Managing Directors and may issue instructions to them. Thus its powers are greater those of the Supervisory Board. It issues rules of procedure for the Managing Directors.

In addition, under Article 8 (3) of the SE Statutes the Administrative Board is authorised to amend the SE Statutes if the amendment only affects the wording. A corresponding rule for the Supervisory Board of RIB Software AG is found in Article 11 of the AG Articles of Association.

6.2.4.4. Meetings and voting (Article 9 SE Statutes)

Article 9 of the SE Statutes prescribes the rules of meetings of the Administrative Board, quorums and adoption of resolutions by the Administrative Board. The provisions are more detailed than those in Article 10 of the AG Articles of Association regarding the Supervisory Board of RIB Software AG, although some of the main points are similar.

Administrative Board meetings are generally convened by the chairperson in writing, by fax or email with a period of notice of at least two weeks, stating the venue, the time and the agenda of the meeting.

Convenience Translation

Resolutions of the Administrative Board are in principle to be adopted in personal meetings of the Administrative Board and on duly announced agenda items. The chairperson or, if the chairperson is prevented from doing so, the deputy chairperson, chairs the Administrative Board meeting. The Administrative Board has a quorum if more than half of the Administrative Board members, including the chairperson or, in his absence, the deputy chairperson, personally or by way of submission of his written vote participate in the vote. A vote transmitted by fax or email by one Administrative Board member to another Administrative Board member for submission in the Administrative Board meeting is deemed a written vote. An Administrative Board member who indicates his abstention from voting (*Enthaltung*) shall be considered to have participated in the vote for purposes of determining a quorum. If a quorum is not reached in an Administrative Board meeting, a new meeting with the same agenda is to be called which is quorate if at least three members, the majority of whom are non-management board, participate in the vote at the reconvened meeting.

Administrative Board members may by the order of the Chairperson or, in his/her absence, by the order of the Deputy Chairperson participate in Administrative Board meetings by video or telephone conference or electronic media that enable all Administrative Board members to hear each other; Administrative Board members participating through any of these media shall be deemed present. An Administrative Board member who does not participate in an Administrative Board meeting may participate in the vote by submitting his written vote through another Administrative Board member. A vote transmitted by fax or email by one Administrative Board member to another Administrative Board member for submission in the Administrative Board meeting is deemed a written vote.

Outside Administrative Board meetings resolutions may be adopted in writing, by fax, by email, by telephone, by using other forms of electronic communication or by a combination of the foregoing, if so ordered by the chairperson or, in his absence, by the deputy chairperson. The chairperson or, in his absence, the deputy chairperson is required to confirm in writing all resolutions adopted outside of meetings and send copies of the confirmation of the resolutions to all Administrative Board members.

If an item on the agenda was not properly announced, resolutions can only be passed if no Administrative Board member objects to the resolution.

Resolutions of the Administrative Board are adopted by a majority of the votes cast. The votes cast do not include abstentions. If there is a tie in a vote by the Administrative Board, the chairperson's vote is counted twice, or, if the chairperson is de jure or de facto prevented, the deputy chairperson's vote.

Minutes of the Administrative Board meetings and resolutions are to be prepared. The chairperson or, if the chairperson is de jure or de facto prevented, the deputy chairperson signs the minutes.

Convenience Translation

The Administrative Board is – including during the implementation of its resolutions – represented by the chairperson or, if the chairperson is de jure or de facto prevented, the deputy chairperson.

6.2.4.5. Administrative Board committees (Article 10 SE Statutes)

Article 10 of the SE Statutes contains the authorisation of the Administrative Board to transfer its tasks and duties – including the adoption of associated resolutions – to committees appointed from its midst, to the extent that this is legally admissible. This provision corresponds to Article 10 (1) sentence (3) of the AG Articles of Association regarding the Supervisory Board.

The tasks and duties and the internal procedures of the committees are determined by the Administrative Board, e.g. by adopting rules of procedures for the committees.

6.2.4.6. Administrative Board members' remuneration (Article 11 SE Statutes)

Article 11 of the SE Statutes states that each member of the Administrative Board receives fixed annual remuneration of EUR 14,400.00. The chairperson of the Administrative Board receives double this amount and the deputy chairman receives one-and-a-half times this remuneration. The members of the committee additionally receive annual remuneration amounting to EUR 3,750.00 provided the committee met at least once in the fiscal year; if a member belongs to several committees, they will receive this remuneration for each committee. The chairperson of a committee is remunerated with two times the aforementioned amount. Members of the Administrative Board who belong to the Administrative Board or one of its committees for only part of the fiscal year receive the remuneration in proportion to the duration of their membership to the entire fiscal year.

It is also clarified that the Company will reimburse the Administrative Board members for the expenses arising through the exercise of the office. In addition, the Company will reimburse any value-added tax incurred on the remuneration and compensation for expenses.

The above provisions correspond to the provisions on the remuneration of the Supervisory Board of RIB Software AG in Article 12 of the AG Articles of Association, apart from the fact that the annual remuneration of the Supervisory Board members is EUR 12,000.00 instead of EUR 14,400.00. In addition, the remuneration for the work in a committee will be increased from EUR 2,000.00 to EUR 3,750.00 and the chairperson of a committee will receive two times this amount instead of currently one-and-a-half times this amount.

If and as long as an Administrative Board member at the same time serves as Managing Director of the Company, the remuneration as Administrative Board member is suspended.

The Company may take out appropriate D&O insurance for the members of the Administrative Board. The same applies for the Supervisory Board under Article 12 (1)(6) of the AG Articles of Association.

Convenience Translation

6.2.5. Managing directors (Articles 12-14 SE Statutes)

There is no direct equivalent in the AG Articles of Association for the provisions on the Managing Directors in the SE Statutes containing provisions on the Management Board of RIB Software AG in its stead.

6.2.5.1. Appointment, responsibilities, dismissal (Article 12 SE Statutes)

In line with Section 40 (1) German SE Regulation Implementation, Article 12 of the SE Statutes provides that the Administrative Board appoints one or more Managing Directors. Members of the Administrative Board can be appointed Managing Directors provided the majority of the Administrative Board still consists of members who are non-managing director Administrative Board members. The Administrative Board may appoint one of these Managing Directors as chief executive officer and one or two as deputy chief executive officers.

The Administrative Board can – as provided for in Article 40 (9) German SE Regulation Implementation – also appoint deputy Managing Directors.

Article 12 (4) of the SE Statutes governs the Managing Directors' responsibilities. They are required to conduct the business of the Company in accordance with applicable law, the SE Statutes, the Managing Directors' Rules of Procedure and the instructions of the Administrative Board. According to Article 8 (2) of the SE Statutes, the Administrative Board is entitled to issue rules of procedure for the Managing Directors.

According to Article 12 (5) of the SE Statutes, Managing Directors may be removed from office only for cause in the sense of Section 84 (3) German Stock Corporation Act (*AktG*) or in the event of a termination of their service contract, in each case requiring a resolution by the Administrative Board adopted with a majority of three-quarters of the votes cast. Due to the requirements of good cause, the position of the Managing Directors is strengthened compared to the statutory provisions of the law on SEs, which in Section 40 (5)(1) German SE Regulation Implementation provides for dismissal at any time, and aligned with the position of a management board. The requirement of a three-quarter majority for a resolution on dismissal leads to a further strengthening of the Managing Directors' position, which according to the prevailing opinion is regarded as admissible.

6.2.5.2. Actions requiring approval (Articles 13 SE Statutes)

The Managing Directors may only carry out the measures and actions referred to in Article 13 of the SE Statutes with the prior approval of the Administrative Board. These include (a) preparing the annual framework plan, especially the financial and investment plan and planning for sales, personnel and the planned profit and loss statement; (b) setting-up and discontinuing, selling and winding-up branch offices and establishments; acquiring, forming and selling other companies or interests in such; (c) acquiring, selling and encumbering properties and equivalent rights or rights to properties and equivalent rights and the associated obligatory agreements; (d) concluding, amending and terminating control agreements, company lease agreements, company surrender

Convenience Translation

agreements, profit transfer agreements or other company agreements in the meaning of Section 292 German Stock Corporation Act (*AktG*); (e) transformations in the meaning of Section 1 German Transformation Act and entering into silent partnerships and (f) taking up and discontinuing existing branches of business.

Approvals according to clauses (b) to (f) are dispensable if and to the extent that such actions are specifically included in the annual framework plans pursuant to clause (a).

The Administrative Board can determine further measures and actions requiring its approval.

There are no comparable provisions in the AG Articles of Association. However, the Supervisory Board of RIB Software AG established a list of certain types of transactions for which the Management Board requires its approval based on Section 111 (4)(2), 2nd alternative German Stock Corporation Act (*AktG*).

6.2.5.3. Representation (Article 14 SE Statutes)

Article 14 of the SE Statutes governs the representation of RIB Software SE by the Managing Directors. It states that the Company is represented by two Managing Directors acting together or by a single Managing Director acting together with a holder of a special power of attorney (*Prokurist*), unless only one Managing Director is appointed, in which case this Managing Director represents the Company alone.

The Administrative Board may grant individual Managing Directors the authority to represent the Company alone and may exempt individual Managing Directors from the restrictions of Section 181, 2nd alternative German Civil Code (*BGB*). The Administrative Board represents the Company towards the managing directors. This is provided for in Article 14 (1) of the SE Statutes by a reference to Article 41 (5) German SE Regulation Implementation.

According to Article 14 (2) of the SE Statutes deputy Managing Directors have the same rights as Managing Directors.

6.2.6. General Meeting (Articles 15-18 SE Statutes)

Articles 15 to 18 of the SE Statutes govern the convocation and holding of the General Meeting of RIB Software SE. Apart from a few modifications and additions, the provisions predominantly correspond to the rules in the AG Articles of Association.

6.2.6.1. Convocation (Article 15 SE Statutes)

At RIB Software SE the ordinary General Meeting is held each year during the first six months of the fiscal year, and not during the first eight months of the fiscal year like at RIB Software AG. This reflects the statutory rule. According to Article 15 of the SE Statutes, the General Meeting is held at the registered office of the Company, in a district adjacent to the registered office of the Company or at the location of a German stock exchange centre. The General Meeting will, subject

Convenience Translation

to convocation rights of minority shareholders, be convened by the Administrative Board. Shareholders holding at least 5% of the share capital have such a statutory power under Article 55 (1) SE Regulation in conjunction with Section 50 German SE Regulation Implementation.

6.2.6.2. Participation in the General Meeting (Article 16 SE Statutes)

Only those shareholders who are listed in the share register of the Company on the day of the General Meeting and who registered in time are entitled to take part in the General Meeting and to exercise the right to vote. The registration must reach the Company at least six days before the General Meeting in text form in German or English at the address communicated for this purpose in the notice of convocation. A shorter period may be provided for in the notice of convocation, to be measured in days.

The Administrative Board is authorised to make provision in the invitation to the General Meeting that shareholders may also take part in the Annual General Meeting without being present and without an authorised representative, and can exercise all their rights or individual rights in whole or in part by means of electronic communication to be determined in detail by the Company.

The members of the Administrative Board and the Managing Directors are to take part in the General Meeting.

The provisions described above correspond to those in Article 14 of the AG Articles of Association regarding the General Meeting of RIB Software AG, although the stock corporation's Supervisory Board and Management Board are replaced by the SE's Administrative Board and Managing Directors.

6.2.6.3. Chairmanship (Article 17 SE Statutes)

Article 17 of the SE Statutes provides that the chairman of the Administrative Board generally chairs the General Meeting. Should the chairman of the Administrative Board be prevented from chairing the General Meeting, the Administrative Board has to determine another member of the Administrative Board. Article 15 of the AG Articles of Association contains a provision for the chairman of the Supervisory Board that is essentially the same.

6.2.6.4. Voting (Article 18 SE Statutes)

According to Article 18 (1) of the SE Statutes, each share confers one vote.

The voting right may be exercised by a proxy if the proof of the authorisation is communicated to the Company in writing. For banks and credit institutions who do not hold shares for their own account, Article 18 (2) of the SE Statutes refers to Section 135 German Stock Corporation Act (*AktG*).

Convenience Translation

The Administrative Board may authorise shareholders to also cast their votes without taking part in the General Meeting in writing or by means of electronic communication to be determined in detail in the invitation (postal vote).

The chairman of the General Meeting decides on the nature and form of voting according to his/her due discretion.

Like in the resolutions by the General Meeting of RIB Software AG, the resolutions of the General Meeting of RIB Software SE will be passed with a simple majority of the votes cast unless otherwise required by mandatory legal provisions or the SE Statutes. This corresponds to the requirements in Article 57 SE Regulation in conjunction with Section 133 (1) German Stock Corporation Act (*AktG*).

The provisions set out above correspond to those in Article 16 of the AG Articles of Association regarding the General Meeting of RIB Software AG, although the stock corporation's Management Board is replaced by the SE's Administrative Board.

6.2.7. Annual financial statements and appropriation of the profits (Articles 19-20 SE Statutes)

6.2.7.1. Annual financial statements, management report and annual report (Article 19 SE Statutes)

The contents of Article 19 of the SE Statutes, which governs responsibility for drawing up and approving the annual financial statements and the consolidated financial statements as well as the management report and the consolidated management report, correspond to those of Article 17 of the AG Articles of Association, although the SE's Administrative Board and Managing Directors take the place of the Supervisory Board and Management Board of the stock corporation. The Article states that the Managing Directors now have to draw up the annual financial statements, the management report, the consolidated financial statements and the consolidated management report for the preceding fiscal year in the first three months of the fiscal year and submit them promptly to the Administrative Board. In addition, the Managing Directors have to submit a proposal regarding the appropriation of profits to the Administrative Board. These documents have to be put on display in the premises of the Company for inspection by the shareholders from the time of the convocation of the General Meeting and have to be made available via the Company's website together with the audit certificate of the auditors of the financial statements and the consolidated financial statements.

6.2.7.2. Appropriation of the profits (Article 20 SE Statutes)

Article 20 of the SE Statutes adopts the provisions on appropriation of profits from Article 18 of the AG Articles of Association without any changes, although the SE's Administrative Board replaces the stock corporation's Supervisory Board and Management Board. Thus the General Meeting decides on how to use the profits. When the Administrative Board approves the annual financial statements, it is allowed to allocate no more than half of the annual surplus to other

Convenience Translation

revenue reserves. The General Meeting may allocate additional amounts to free reserves in the resolution on the appropriation of profits or carry them forward as profit.

6.2.8. Final provisions (Articles 21-23 SE Statutes)

6.2.8.1. Costs of formation (Article 21 SE Statutes)

The provisions regarding the costs of formation for RIB Software AG under Article 19 of the AG Articles of Association have been incorporated in Article 21 (1) of the SE Statutes. Since the registration of RIB Software AG in the commercial register took place less than 30 years ago, in the event of a conversion leading to a change in form the adoption of these statutory provisions in the articles of the entity with the new legal form is prescribed by law in Section 243 (1)(2) and (3) German Transformation Act (*Umwandlungsgesetz – UmwG*).

In addition, Article 21 (2) of the SE Statutes provides that the formation costs in relation to its change into the legal form of a SE will be borne by the Company up to an amount of EUR 250,000.00. According to Article 15 (1) SE Regulation in conjunction with Section 26 (2) German Stock Corporation Act (*AktG*), the costs of RIB Software SE's formation as an SE that are to be borne by RIB Software SE have to be determined as a necessary part of the founding statutes.

6.2.8.2. Capital contribution (Article 22 SE Statutes)

In Article 22 (1) of the SE Statutes, provisions on the contribution of the share capital of RIB Software AG according to Article 20 of the AG Articles of Association have been adopted and the wording has merely been adapted from a linguistic point of view. In Article 22 (2) of the SE Statutes an addition has been made that the share capital of RIB Software SE has been contributed by way of the conversion of RIB Software AG into RIB Software SE.

6.2.8.3. Place of jurisdiction (Article 23 SE Statutes)

Like Article 21 of the AG Articles of Association, Article 23 of the SE Statutes specifies the Company's registered office as the place of jurisdiction for all disputes based on the partnership between the Company and its shareholders and between the shareholders.

7. Implications of the conversion

In line with the requirement in Article 37 (4) SE Regulation, the implications of the adoption of the legal form of an SE for the shareholders and employees of RIB Software AG are set out below.

Ultimately, the conversion of RIB Software AG into an SE only has a few direct implications for the Company's shareholders. Once the conversion becomes effective, the Company's shareholders will no longer be have a stake in a German stock corporation but in a European company. The European company is in part subject to provisions differing from the legal provisions applicable to

Convenience Translation

a stock corporation (see also [Section 4.1](#)). In addition, it will have new statutes as a result of the conversion (see also [Section 6.2](#)).

7.1. Implications of the conversion for the shareholders

7.1.1. Ownership ratios, dividend entitlements

The shareholders' ownership ratios and dividend entitlements will not be affected by the conversion of RIB Software AG into an SE.

The shareholders of RIB Software AG will become shareholders of RIB Software SE by operation of law when the conversion becomes effective. Since the legal entity will remain one and the same, their interests will continue to exist unchanged; in particular, the shares will continue to be registered shares in the future. The amounts and number of shares held by the shareholders of RIB Software AG in the share capital of RIB Software SE will therefore continue to remain the same and the shares will have the same par value as immediately before the effective date of the conversion.

Similarly, the rights attaching to the shares, including the dividend entitlement, will not change as a result of the conversion of RIB Software AG into an SE. The General Meeting of RIB Software SE will decide on the appropriation of the balance sheet profits, as is the case at RIB Software AG.

7.1.2. Shareholder rights in the General Meeting

The information and disclosure rights of the shareholders of RIB Software AG will not be affected by the conversion of RIB Software AG into an SE.

7.1.3. Resecuritisation of the shares

The registered shares of RIB Software AG are currently represented in several global notes which are held in collective custody.

Once the conversion becomes effective, the global notes will be exchanged for one or several global notes for all registered shares of RIB Software SE. This global note will itself be kept in collective custody.

The custodian banks will subsequently change all shares of RIB Software AG held in securities accounts into shares of RIB Software SE. The shareholders do not have to take any action in this respect. The German securities identification number (WKN) A0Z2XN and the International Securities Identification Number (ISIN) DE000A0Z2XN6 will not change as a result of the conversion.

7.1.4. Continuation of stock exchange listing

The conversion will not have any effects on RIB Software AG's stock exchange listing or trading of shares in RIB Software AG on the stock markets. The shareholders of RIB Software AG will also be

Convenience Translation

able to trade their shares in RIB Software SE on every stock exchange where the shares are currently listed following the conversion of RIB Software AG into an SE (see [Section 2.4.2](#)). It is not necessary to obtain separate admission of the shares of RIB Software SE to the stock exchange for this purpose, as the Company is neither wound up nor newly incorporated as a result of the conversion.

The conversion does not have any effects on the existing inclusion of RIB Software SE shares in stock market indices, either.

7.1.5. Continuation of disclosure obligations under the German Securities Trading Act

In connection with the disclosure obligations regarding voting shares, due to Article 9 (1) (c) (ii) SE Regulation, the provisions in Section 21 ff. German Securities Trading Act (*WpHG*) will also apply to the future RIB Software SE as a listed SE as for RIB Software AG as a listed stock corporation. Thus according to Sec. 28 German Securities Trading Act (*WpHG*) shareholders' rights may not be exercised at the SE under certain conditions if certain disclosure obligations are breached. Any disclosures regarding voting shares made before the conversion has become effective will be unaffected by the conversion. The conversion itself will not trigger any disclosure obligations for the Company's shareholders under Sec. 21 ff. German Securities Trading Act (*WpHG*).

7.1.6. Tax implications

Based on the principle that the Company will still be the same legal entity, the conversion of RIB Software AG into an SE in Germany will not trigger any income tax or transfer tax for the shareholders. In particular, no capital transfer tax or value-added tax will be incurred.

Any future dividend distributions by RIB Software SE or sales of the Company's shares will in principle have the same tax implications for the shareholders of RIB Software SE as dividend distributions and sales of shares in a German stock corporation for German income tax purposes.

Shareholders of RIB Software AG are advised to contact their tax advisor regarding any special aspects existing in relation to themselves which may potentially be relevant for tax purposes. This applies in particular to shareholders for whom foreign tax rules are applicable.

7.2. Implications of the conversion for employees

Article 37 (9) SE Regulation provides that any rights and obligations of the company to be converted relating to terms and conditions of employment arising from employment contracts or employment relationships and existing at the date of the registration will, by reason of such registration, be transferred to the SE.

The effects which the conversion into the legal form of an SE have on the employees are explained in more detail in the explanation of Terms of Conversion in [Section 6.1.7](#) of this Report.

Convenience Translation

Stuttgart, 15 April 2016

RIB Software AG
The Management Board
(*Der Vorstand*)

Thomas Wolf
Chairman of the Management Board
(*Vorstandsvorsitzender*)

Michael Sauer
Member of the Management Board
(*Vorstand*)

Dr Hans-Peter Sanio
Member of the Management Board
(*Vorstand*)

Helmut Schmid
Member of the Management Board
(*Vorstand*)

Convenience Translation

Annex: Chart of RIB Group

