

Corporate Governance Statement as of December 31, 2019

Corporate Governance Practices

CompuGroup Medical recognizes its duty to be a responsible member of society. Our business is based on trust – every day we face challenging issues such as healthcare security, patient privacy or public tenders. Our products and solutions will always comply with applicable laws and regulations and with our commitment to ethical and social responsibility. Alongside other corporate governance principles of CompuGroup Medical, this ethical principle goes beyond the legal provisions and recommendations of the Code in some areas. Ethical guidelines apply to all CompuGroup Medical employees and business partners acting on behalf of the Company. We also expect our suppliers and partners to adhere to ethical guidelines that are consistent with our ethical values. The CompuGroup Medical Code of Conduct can be viewed at any time on our website at www.cgm.com.

Functioning of the Management Board and Supervisory Board

CompuGroup Medical SE is a company under German law, on which the German Corporate Governance Code is also based. A fundamental principle of German stock corporation law is the dual management system with two governing bodies – the management board and the supervisory board – each of which has its own independent powers. The Management Board and the Supervisory Board of CompuGroup Medical work together closely and in a spirit of trust in the governance and monitoring of the Company.

CompuGroup Medical's Management Board has clearly defined areas of responsibility and duties in corporate governance. The corporate governance model follows the allocation of responsibilities determined by the Supervisory Board.

The Chief Executive Officer (CEO) coordinates the work of the members of the Management Board and cooperation with the Supervisory Board.

One member of the Management Board manages the Outpatient Facilities department. This department includes the Doctor Information Systems, Dentist Information Systems and Pharmacy Information Systems areas.

One member of the Management Board manages the Stationary Facilities department. This department includes the Hospital Information Systems, Rehabilitation, Social and Laboratory Information Systems areas.

One member of the Management Board manages the new CHS Consumer & Health Management Systems department created in 2019. This department includes the Consumer, insurance and industrie, telematicinfrastructure, data & analytics areas and the development team in Rumania.

Another member of the Management Board is responsible for the functional organization of the Finance area as Chief Financial Officer (CFO).

The sixth member of the Management Board manages the Process and Efficiency Management (CPO) department.

In weekly meetings, the members of the Management Board jointly discuss and decide on a broad spectrum of topics ranging from day-to-day business to Group strategy.

The Regional Managers and the Management Board together form the Strategic Management Group. The main objective of the Group's meetings is to harmonize business activities and to ensure that knowledge is shared across countries and functions.

CompuGroup Medical supports the concept of close and trusting cooperation between the Supervisory Board and the Management Board, based on the Company's need for expertise, balanced decision-making and an independent evaluation of business development and management.

The Supervisory Board appoints the members of the Management Board and monitors and advises it on the management of the Company. It is directly involved in all issues of fundamental importance to the Company. The Chairman of the Supervisory Board coordinates the activities of the Supervisory Board.

The duties of the Supervisory Board and its committees are governed by law and the Company's Articles of Association. The Supervisory Board has issued Rules of Procedure for itself and the Management Board. Former members of the Management Board of CompuGroup Medical SE do not sit on the Supervisory Board. The Supervisory Board has a sufficient number of independent members who have no business or personal relationships with the Company or its Management Board. The Supervisory Board typically convenes six to eight times a year. In at least one meeting, the Supervisory Board discusses Group's strategy with the Management Board. At monthly intervals, the Supervisory Board receives financial reports, management reports and an analysis of the expected course of business. The Supervisory Board regularly reviews the efficiency of its activities. The last such efficiency review took place in 2019. A questionnaire was used to evaluate the efficiency of the Supervisory Board's activities and its cooperation with the Management Board, which was then discussed at a separate Supervisory Board meeting.

The Supervisory Board has formed an Audit Committee from among its members. The Audit Committee consists of the Chairman of the Supervisory Board, two shareholder representatives and one employee representative. The Chairman of the Supervisory Board, Dr. Klaus Esser, is the independent financial expert of the Audit Committee. The Audit Committee deals with monitoring the accounting process, monitoring the annual audit, the management report and the quarterly financial statements and recommends to the Supervisory Board whom it should propose to the Annual General Meeting as the auditor. On the basis of the independent auditor's report, the Audit Committee makes recommendations regarding the approval of the annual financial statements and the consolidated financial statements by the Supervisory Board. The formation of further committees is not planned at present.

The Management Board and the Supervisory Board must act in the interests of CompuGroup Medical SE. There were individual conflicts of interest in the Supervisory Board in the past fiscal year that have been explained in the report of the Supervisory Board. No member of the Management Board held more than three seats on supervisory boards of listed stock corporations not belonging to the Group.

Target Figures for the Composition of the Supervisory Board and Management Board

In accordance with section 111(5) AktG, the Supervisory Board of the company last discussed the targets for the share of women in March 2017 and, taking into account the specific situation of the Company, determined the following:

- a) A target of 1/6 was set for the Supervisory Board for the period until June 30, 2020.
- b) A target of zero was set for the Management Board for the period until June 30, 2020.

The current composition of the Management Board and the Supervisory Board is consistent with the targets set by the Supervisory Board. In the opinion of the Supervisory Board of the Company, the shareholder representatives on the Supervisory Board comprise an appropriate number of independent members if their share is at least 50 percent. The Supervisory Board members Dr. Klaus Esser (Chairman), Dr. Ulrike Handel and Thomas Seifert are considered independent.

Targets for the composition of the two management levels below the Management Board

In accordance with section 76(4) AktG, the Management Board of the Company last discussed the targets for the share of women working in positions at the management levels below the Management Board in August 2018 and, taking into account the specific situation of the Company, determined the following: The target for the share of women was set at 30 percent. The deadline for achieving the target was set at July 31, 2023.

The current composition of management is not yet in line with the targets set, and the current situation with regard to the recruitment of employees, particularly in the IT sector, is generally difficult.

Remuneration of the Management Board and Supervisory Board

CompuGroup Medical SE complies with the recommendations of the German Corporate Governance Code to disclose the individual remuneration of the Management Board and the Supervisory Board. The main features of the remuneration systems and the remuneration are presented separately in the remuneration report, which is part of the management report.

Risk Management

The responsible handling of business risks is one of the principles of good corporate governance. The Management Board of CompuGroup Medical SE has Group-wide and company-specific reporting and control systems at its disposal that ensure that these risks are tracked, assessed and managed. The systems are evolved on an ongoing basis and adapted in line with changing conditions. The Management Board regularly reports to the Supervisory Board on existing risks and their development. The Audit Committee primarily deals with the monitoring of the accounting process, including reporting, the effectiveness of the internal control system, risk management, compliance and audits.

Details on CompuGroup Medical's risk management are presented in the risk report within the management report. In addition, the report on the accounting-related internal control and risk management system required by the Bilanzrechtsmodernisierungsgesetz (BilMoG – German Accounting Modernization Act) can be found in the (Group) management report.

Accounting and audits of financial statements

CompuGroup Medical SE prepares its consolidated financial statements and its interim consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The annual financial statements of CompuGroup Medical SE are prepared in accordance with the German Commercial Code. The financial statements are prepared by the Management Board and audited by the auditor and the Supervisory Board. The interim reports and the half-year financial report are discussed with the Management Board by the Audit Committee prior to publication. The consolidated financial statements and the annual financial statements of CompuGroup Medical SE for fiscal year 2019 were audited by KPMG AG Wirtschaftsprüfungsgesellschaft, head office: Berlin, Frankfurt/Main branch, the auditor appointed by the 2019 Annual General Meeting. The audits were conducted in accordance with German audit regulations and the generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (German Institute of Certified Public Accountants). The audit procedures also included the risk early warning system. It was also agreed with the auditor that they would inform the Supervisory Board without delay of any grounds for disqualification or partiality, and of any material findings or events arising in the course of the audit. There were no such findings in the reporting time frame.

Shareholders and the Annual General Meeting

Our shareholders exercise their rights at the Company's Annual General Meeting. The Annual General Meeting takes place in the first six months after the end of fiscal year. In accordance with the Articles of Association, the Annual General Meeting is chaired by the Chairman of the Supervisory Board. The Annual General Meeting makes decisions on all matters assigned to it by law. CompuGroup Medical's goal is to make it as easy as possible for shareholders to participate in the Annual General Meeting. For this reason, all documents required for participation are published in advance on the Internet. Shareholder proxies are appointed for the Annual General Meeting, whom shareholders can instruct to exercise their voting rights as per their wishes.

Shareholdings of the Management Board and Supervisory Board

The following shares are currently held by members of the Management Board and Supervisory Board:

Management Board:

Frank Gotthardt: 17,910,804 shares (approximately 33.65 %)

Uwe Eibich: 97,744 shares (approximately 0.18 %)

Michael Rauch: 2,200 shares (approximately 0.00 %)

Hannes Reichl: 1,500 shares (approximately 0.00 %)

Frank Brecher: 1,284 shares (approximately 0.00 %)

Supervisory Board:

Prof. Dr. Daniel Gotthardt: 3,571,711 shares (approximately 6,71 %)

Dr. Klaus Esser: 140.000 shares (approximately 0,26 %)

Transparency

CompuGroup Medical SE attaches great importance to the uniform, comprehensive and timely dissemination of information. Reporting on the business situation and results of CompuGroup Medical SE is provided in the annual report, the quarterly disclosures, at the annual Investor and Analyst Conference and in regular conference calls. In addition, information is provided in the form of press releases and ad hoc disclosures, in addition to other mandatory publications to the extent required by law. All reports and announcements can be viewed on the Internet at www.cgm.com in the Investor Relations section. CompuGroup Medical SE has produced the required insider trading list. The relevant persons were informed of their legal obligations and sanctions.