

# Declaration on Corporate Governance

The actions of the executive and supervisory bodies of CompuGroup Medical SE & Co. KGaA (hereinafter also referred to as “CompuGroup Medical” or the “Company” and together with its affiliates the “CompuGroup Medical Group”) are governed by the principles of responsible and good corporate governance. In the following, please find the report of the Managing Directors of the Company’s General Partner, CompuGroup Medical Management SE, and the Supervisory Board of CompuGroup Medical on corporate governance in accordance with principle 22 of the German Corporate Governance Code (Code) and in accordance with sections 289f, 315d German Commercial Code (HGB).

## **1. Statement Pursuant to Section 161 AktG [Aktiengesetz – German Public Companies Act] (Statement of Compliance)**

**DECLARATION BY THE GENERAL PARTNER AND BY THE SUPERVISORY BOARD OF  
COMPUGROUP MEDICAL SE & CO. KGAA  
ON THE RECOMMENDATIONS OF THE  
GOVERNMENT COMMISSION ON THE GERMAN CORPORATE GOVERNANCE CODE (REGIERUNGSKOMMISSION  
DEUTSCHER CORPORATE GOVERNANCE KODEX)  
PURSUANT TO SECTION 161 GERMAN STOCK CORPORATION ACT (AKTG)**

### **I. Preamble**

The Management Board and the Supervisory Board of CompuGroup Medical SE last issued a Declaration of Compliance pursuant to Section 161 (1) German Stock Corporation Act (AktG) on January 23, 2020. The Management Board and Supervisory Board of CompuGroup Medical SE amended this Declaration of Compliance on February 12, 2020.

Based on the resolution of the Annual General Meeting of CompuGroup Medical SE of May 13, 2020, CompuGroup Medical SE was converted by way of a change of legal form in accordance with the provisions of the German Transformation Act (Sections 190 et seq., 226 et seq., 238 et seq. German Transformation Act (UmwG)) into a partnership limited by shares (Kommanditgesellschaft auf Aktien, KGaA) under the name of CompuGroup Medical SE & Co. KGaA (the “Company”), with CompuGroup Medical Management SE joining as General Partner on May 13, 2020. The change of the legal form was registered with the competent commercial register on June 18, 2020.

The German Corporate Governance Code (the “Code”) is tailored to companies in the legal form of a stock corporation (AG) or a European stock corporation (SE) and does not take into account the specifics of a partnership limited by shares (Kommanditgesellschaft auf Aktien, KGaA). Many of the Code’s recommendations can therefore not be applied or can only be applied in a modified form to CompuGroup Medical SE & Co. KGaA. This relates to the time period starting from June 18, 2020, when the Company’s change of legal form became effective (see also the statements in section IV. of this Declaration of Compliance). In this context, the following aspects in particular must be taken into account:

### **1. Management**

Many recommendations in the Code are directed at the management board. However, in contrast to stock corporations like an AG or a SE with a two-tier structure, a partnership limited by shares (KGaA) does not have a management board. In a partnership limited by shares (KGaA), the General Partner takes on the responsibilities of the management board. The sole General Partner of CompuGroup Medical SE & Co. KGaA is CompuGroup Medical Management SE. CompuGroup Medical Management SE has a one-tier structure. In accordance with this structure, the management of the SE is performed by a single board, the Administrative Board. The Administrative Board manages CompuGroup Medical Management SE, defines the fundamental strategy of its activities and supervises its implementation by the Managing Directors. The Managing Directors conduct the operating business of the SE and represent it in and out of court.

## **2. Supervisory Board**

Some of the recommendations in the Code concerning the supervisory board do not take into account the legal specifics of a partnership limited by shares (KGaA). In contrast to the supervisory board of an AG and a SE with a two-tier structure, the supervisory board of a partnership limited by shares (KGaA) has neither the responsibility for the appointment and removal of the members of the management board nor the authority to determine the remuneration for the members of the management board. Furthermore, the supervisory board of a partnership limited by shares (KGaA) does not have authority to determine approval requirements with regard to certain management measures.

## **3. Annual General Meeting**

The annual general meeting of a partnership limited by shares (KGaA) basically has the same rights as the annual general meeting of an AG. In addition, it decides on the adoption of the annual financial statements of the company. In contrast to the legal form of an AG, some resolutions of the annual general meeting (e.g. the adoption of the annual financial statements) require the consent of the General Partner.

## **II. For the time period from the last Declaration of Compliance issued on January 23, 2020 and amended on February 12, 2020 until March 20, 2020:**

The Managing Directors of the General Partner and the Supervisory Board of CompuGroup Medical SE & Co. KGaA declare that the recommendations of the government commission on the German corporate governance code in the version of February 7, 2017 ("GCGC 2017") published by the Federal Ministry of Justice in the official section of the Federal Gazette on April 24, 2017 have been complied with in the period since the publication of the last Declaration of Compliance on January 23, 2020 and its amendment on February 12, 2020 until the reformed Code in the version of December 16, 2019 became effective on March 20, 2020, with the exception of the items outlined below for the reasons and in the periods stated therein:

### **a) Section 3.8 GCGC 2017:**

Section 3.8 of the GCGC 2017 states that a D&O insurance policy for the supervisory board should include a deductible equal to that for the members of the management board. CompuGroup Medical SE's D&O insurance policy did not take this recommendation into account as the Company did not consider a deductible to be appropriate given the amount of Supervisory Board remuneration.

### **b) Section 4.2.2 GCGC 2017:**

Section 4.2.2 of the GCGC 2017 states that the supervisory board should consider the ratio of the remuneration of the management board and that of senior management and the workforce as a whole, including its development over time, in determining the remuneration of the management board. The Supervisory Board of CompuGroup Medical SE has not complied with this recommendation as the Supervisory Board did not consider this approach to be appropriate in determining the remuneration of the Management Board.

### **c) Section 4.2.3 GCGC 2017:**

Section 4.2.3 of the GCGC 2017 states that the total amount of the remuneration of the management board of a company and its variable remuneration components should be capped. The contract with the former Chairman of the Management Board did not stipulate such a cap in order to provide a special incentive that would not be given to the same extent if a cap had been in place.

The Supervisory Board of CompuGroup Medical SE had reserved the right to adjust performance targets or the underlying benchmarks during the term of the contract. This was necessary to maintain the flexibility needed to allow the Company to respond to changes. There were no pension commitments to members of the Management Board.

**d) Section 5.1.2 GCGC 2017:**

Section 5.1.2 of the GCGC 2017 states that an age limit should be specified for members of the management board. This recommendation was not complied with as the Supervisory Board of CompuGroup Medical SE did not consider a fixed age limit for members of the Management Board to be appropriate. When selecting candidates, the Company wanted to be able to assess this aspect individually, weighing up the candidate's expertise and performance ability in each individual case.

**e) Section 5.3.2 GCGC 2017:**

The Company deviated from the recommendation in Section 5.3.2 GCGC 2017 which stipulates that the chairman of the supervisory board should not also be the chairman of the audit committee, as the Chairman of the Supervisory Board of CompuGroup Medical SE was considered to have special expertise and experience in the application of financial reporting standards and internal control procedures, and was furthermore considered independent by the Supervisory Board.

**f) Section 5.3.3 GCGC 2017:**

Section 5.3.3 of the GCGC 2017 states that the supervisory board should form a nomination committee, composed exclusively of shareholder representatives, which suggests suitable candidates to the supervisory board for its proposals to the annual general meeting. This recommendation was not complied with. Due to the size and the structure of this body, the Supervisory Board of CompuGroup Medical SE saw no reason to form a separate nomination committee. In particular, shareholder representatives formed the majority of the Supervisory Board, and with six members, the Supervisory Board was small enough for suggested candidates to be discussed by the entire board.

**g) Section 5.4.1 GCGC 2017:**

Section 5.4.1 of the GCGC 2017 states that an age limit should be specified for members of the supervisory board. This recommendation was not complied with as the Company does not consider a fixed age limit for members of the Supervisory Board to be appropriate. When selecting candidates, the Company wants to be able to assess this aspect individually, weighing up the candidate's expertise and performance ability in each individual case.

In determining the composition of the Supervisory Board, the Company took into account in particular the potential candidate's knowledge, skills and experience. Therefore, the Supervisory Board also refrained from setting a standard limit on the length of membership in the Supervisory Board.

The Supervisory Board of CompuGroup Medical SE had only set fixed composition targets regarding the share of female members in the Supervisory Board in order to remain as flexible as possible in its case-by-case assessment of the suitability of possible candidates.

**h) Section 5.4.6 GCGC 2017:**

The remuneration regulation for the Supervisory Board of CompuGroup Medical SE essentially provided for uniform fixed remuneration. All members of the Supervisory Board were expected to perform their duties with the utmost commitment and motivation and with a view to the long-term success of the Company. To date, only the Chairman of the Supervisory Board has received 50 percent more remuneration, as the activities performed by the Chairman were much more extensive than those of the other board members, including the Vice Chairman and the committee members.

**i) Section 4.2.3 (2) GCGC 2017:**

Section 4.2.3 (2) of the GCGC 2017 states that the total amount of the remuneration of the management board of a company and its variable remuneration components should be capped.

The employment agreement signed on February 12, 2020 with the then designated new Chairman of the Management Board provided for share options to be granted in accordance with the authorization resolution of the Annual General Meeting of the Company on May 15, 2019 as a long-term incentive remuneration component. A cap on the amount of this remuneration component was not put in place in order to achieve a special incentive effect that would not have been possible to the same extent if the amount had have

been capped. As the long-term incentive remuneration component was granted in the form of share options, the Supervisory Board did not feel that a cap was necessary either, as the shareholders of the company would participate directly when the price of the company's shares would rise.

**i) Section 4.2.3 (4) GCGC 2017:**

Section 4.2.3 (4) GCGC 2017 states that the severance cap should be calculated on the basis of the total remuneration for the past fiscal year and, if necessary, on the anticipated total remuneration for the current fiscal year.

The provisions of the employment contracts with the former members of the Management Board and with the then new Chairman of the Management Board did not stipulate that the agreed severance caps must be calculated based on the specific total remuneration that was achieved. In the opinion of the Supervisory Board, there was no guarantee that determining severance caps on the basis of past achievements led to representative results regarding the determination of the amount of future lost earnings due to early contract termination.

The employment contract with the former Chairman of the Management Board stipulated that no severance would be paid in the event of early termination. Therefore, there were no further regulations limiting the amount of such payment.

**III. Time period from March 20, 2020 until June 18, 2020:**

The Managing Directors of the General Partner and the Supervisory Board of CompuGroup Medical SE & Co. KGaA furthermore declare that the recommendations of the government commission on the German corporate governance code in the version of December 16, 2019 ("German Corporate Governance Code 2020") published by the Federal Ministry of Justice in the official section of the Federal Gazette on March 20, 2020 have been complied with in the time period from when this version of the German Corporate Governance Code entered into force until the change of legal form was registered with the competent commercial register on June 18, 2020 with the exception of the items outlined below for the reasons and in the periods stated therein:

**a) Recommendation B.5**

According to recommendation B.5, an age limit should be specified for members of the management board and disclosed in the corporate governance statement. CompuGroup Medical SE did not believe setting a fixed age limit is a suitable criterion when assessing potential members for the management board. Instead, the age of a suitable candidate was taken into account on an individual basis in the selection process as one component in the overall assessment of the person's expertise, experience and performance ability.

**b) Recommendation C.1, sentences 1 to 4**

With regard to the composition of its Supervisory Board and the candidate proposals to the Annual General Meeting, the Supervisory Board of CompuGroup Medical SE focused primarily on the knowledge, skills and professional experience of the candidates in question. Given the size and structure of the board, the Supervisory Board of CompuGroup Medical SE refrained from determining specific objectives regarding its composition and from passing a formal resolution on a profile of skills and expertise.

**c) Recommendation C.2**

In deviation of recommendation C.2, an age limit was not specified for members of the Supervisory Board of CompuGroup Medical SE. The Company does not believe setting a fixed age limit is a suitable criterion with regard to the appointment of members to its Supervisory Board. Instead, the age of a suitable candidate is taken into account on an individual basis in the selection process as one component in the overall assessment of the person's expertise, experience and performance ability.

**d) Recommendations C.6 and C.7**

Compared to the GCGC 2017, the German Corporate Governance Code 2020 contains amended recommendations regarding the assessment of independence of members of the supervisory board. Professor Dr. Daniel Gotthardt and Dr. Klaus Esser were members of the Supervisory Board of CompuGroup Medical SE for more than 12 years, which, according to recommendation C.7 German Corporate Governance Code

2020, indicated a dependence on the Company and its Management Board; therefore, less than half of the number of shareholder representatives was independent of the Management Board and the Company. Furthermore, and with regard to the intended change of the Company's legal form shortly after the German Corporate Governance Code 2020 became effective, the Supervisory Board of CompuGroup Medical SE refrained from passing a resolution on the appropriate number of independent Supervisory Board members; as a result, we also declare a deviation from recommendation C.6.

**e) Recommendation C.10 sentence 1, D.4**

Taking his length of service in the Supervisory Board of CompuGroup Medical SE of more than 12 years as an indicator, Dr. Klaus Esser was dependent on the Company and its Management Board pursuant to recommendation C.7. Dr. Klaus Esser was Chairman of the Supervisory Board and of the Audit Committee of CompuGroup Medical SE. Due to his indicated dependency as well as the dual role of Dr. Esser, we declare a deviation from recommendations C.10, sentence 1 and D.4.

**f) Recommendation D.1**

The Supervisory Board of CompuGroup Medical SE had adopted its own rules of procedure. Recommendation D.1 German Corporate Governance Code 2020 states that the rules of procedure for the supervisory board should be published on the company's website. With regard to the intended change of the Company's legal form shortly after the German Corporate Governance Code 2020 became effective and considering the fact that its term would end automatically as a consequence of this change of legal form, the Supervisory Board of CompuGroup Medical SE had refrained from publishing the rules of procedure on the Company's website.

The Supervisory Board of CompuGroup Medical SE & Co. KGaA has also adopted its own rules of procedure. These were published on the Company's website on December 22, 2020.

**g) Recommendation D.5**

In deviation of recommendation D.5, the Supervisory Board of CompuGroup Medical SE had not formed a nomination committee. Due to its size and the structure, the Supervisory Board of CompuGroup Medical SE saw no reason to form a separate nomination committee. In particular, shareholder representatives formed the majority of the Supervisory Board of CompuGroup Medical SE, and with six members, the Supervisory Board was small enough for suggested candidates to be discussed by the entire board.

**h) Recommendations on the remuneration of the management board (G.1 to G.13, G.15 and G.16):**

In comparison to the GCGC 2017, the German Corporate Governance Code 2020 contains amended recommendations on the remuneration of the management board. The former remuneration system of CompuGroup Medical SE did not comply or did not fully comply with recommendations G.1, G.3, G.4, G.8, G.10 (sentence 2), G.13 (sentence 1) and G.16. With regard to the intended change of the Company's legal form into a partnership limited by shares (KGaA) shortly after the German Corporate Governance Code 2020 became effective, and considering that the Code's recommendations for Management Board remuneration do not apply to a partnership limited by shares (KGaA) due to its legal structure, the Supervisory Board of CompuGroup Medical SE refrained from adapting the remuneration system to the amended Code recommendations.

**i) Recommendation G.17**

Recommendation G.17 states that the remuneration for members of the supervisory board should take appropriate account of the greater time commitment of the chair and the deputy chair of the supervisory board as well as of the chair and the members of committees. In deviation of this recommendation, only the Chairman of the Supervisory Board of CompuGroup Medical SE received higher remuneration than the other members of the Supervisory Board. However, when the legal form of the Company was changed, the remuneration structure for the Supervisory Board was adapted. The remuneration structure for members of the Supervisory Board of CompuGroup Medical SE & Co. KGaA fully complies with recommendation G.17.

#### **IV. Time period since the change of legal form of the Company was registered on June 18, 2020:**

The Managing Directors of the General Partner and the Supervisory Board of CompuGroup Medical SE & Co. KGaA finally declare that the recommendations of the German Corporate Governance Code 2020 published by the Federal Ministry of Justice in the official section of the Federal Gazette on March 20, 2020 have been complied with in the period since the change of legal form was registered with the competent commercial register on June 18, 2020 and will continue to be complied with in the future, taking into account the structural specifics of a partnership limited by shares (KGaA) with the exception of the recommendations outlined below for the reasons and in the periods stated therein:

##### **a) Recommendations B.1 to B.5**

Recommendations B.1 to B.5 concern the composition of the management board and the criteria that the supervisory board should observe when appointing members to the management board. The management of a partnership limited by shares (KGaA), however, is by law the responsibility of the general partner. The supervisory board of a partnership limited by shares (KGaA) does not have any personnel authority and is therefore unable to influence the appointment of the board members of the general partner. As a result, recommendations B.1 to B.5 are not relevant for CompuGroup Medical SE & Co. KGaA. Only as a matter of precaution, we also declare a deviation from these recommendations.

##### **b) Recommendation C.1, sentences 1 to 4**

The term of service of the members of the Supervisory Board of CompuGroup Medical SE ended automatically when the Company's change of legal form became effective by registration in the commercial register on June 18, 2020. The Supervisory Board of CompuGroup Medical SE & Co. KGaA differs in both size and structure from the former Supervisory Board of CompuGroup Medical SE. In particular, the Supervisory Board of CompuGroup Medical SE & Co. KGaA is subject to employee co-determination in accordance with the provisions of the German Co-Determination Act.

Considering these changes, the Supervisory Board will determine specific objectives regarding its composition as well as a profile of skills and expertise and pass respective board resolutions in the course of the fiscal year 2021. In this context, the Supervisory Board will also consider diversity aspects.

##### **c) Recommendation C.2**

Recommendation C.2 states that an age limit should be specified for members of the supervisory board and disclosed in the corporate governance statement. The Company does not believe setting a fixed age limit is a suitable criterion with regard to the appointment of members to its Supervisory Board. Instead, the Company takes the age of a suitable candidate into account on an individual basis in the selection process as one component in the overall assessment of the person's expertise, experience and performance ability.

##### **d) Recommendation D.1**

The Supervisory Board of CompuGroup Medical SE & Co. KGaA has adopted rules of procedure and published these on the Company's website on December 22, 2020.

##### **e) Recommendation D.5**

Recommendation D.5 states that the supervisory board should form a nomination committee, composed exclusively of shareholder representatives, which proposes suitable candidates to the Supervisory Board for its proposal of candidates to be appointed by the annual general meeting. All current shareholder representatives were appointed with effect as of June 18, 2020 when the change of legal form became effective by its registration in the commercial register. The term of their appointment ends with the Annual General Meeting that resolves on the discharge for the fiscal year 2024. The Supervisory Board therefore sees currently no need to form a nomination committee. With regard to future vacancies, the supervisory board considers the ad-hoc formation of a temporary nomination committee.

##### **f) Recommendation E.3**

Recommendation E.3 states that members of the management board should only assume sideline activities, especially supervisory board mandates outside the enterprise, with the approval of the supervisory board. CompuGroup Medical SE & Co. KGaA does not have a management board. Nevertheless, in the interest of

the greatest possible compliance with the recommendations of the Code, it is stipulated that the Managing Directors may only assume sideline activities, especially supervisory board mandates outside the Group, with the consent of the Administrative Board of the General Partner.

**h) Recommendations on the remuneration of the management board (G.1 to G.13, G.15 and G.16)**

Recommendations G.1 to G.13, G.15 and G.16 German Corporate Governance Code 2020 contain detailed guidelines, which the supervisory board should take into account when determining the remuneration of the management board. However, the Supervisory Board of CompuGroup Medical SE & Co. KGaA does not have the authority to determine the remuneration of the Managing Directors of the General Partner, and as a result the recommendations on the remuneration of the management board do not apply to CompuGroup Medical SE & Co. KGaA due to its corporate structure. The remuneration of the Managing Directors is determined by the Administrative Board of the General Partner. Only as a matter of precaution, we also declare a deviation from these recommendations.

Notwithstanding the above, the General Partner is currently evaluating whether to adopt a remuneration system for the Managing Directors that is in compliance with the Code recommendations.

Koblenz, January 19, 2021

signed by Dr. Dirk Wössner (CEO)

signed by Michael Rauch (CFO)

On behalf of the Managing Directors of the General Partner

signed by Philipp von Ilberg  
(Chairman of the Supervisory Board)

## **2. Relevant information on corporate governance practices**

CompuGroup Medical commits to its crucial role as a responsible member of society. Since 1987, today's CompuGroup Medical has been working on the vision of a digitalized healthcare system: in the words of our founder, Frank Gotthardt: "Nobody should suffer or die just because at some point medical information was missing." Our business is very much based on trust – every day, we encounter challenging issues in the healthcare sector. We aim to provide the most efficient and best possible care and support for patients and their relatives, while observing high standards of data protection and fail-safety for the systems provided. Therefore, our products and solutions comply not only with applicable laws and regulations but also with our commitment to ethical and social responsibility. Like other corporate governance principles of CompuGroup Medical and the CompuGroup Medical Group, our corporate ethics exceed the legal provisions and recommendations of the Code in certain areas. Our ethical guidelines apply to all CompuGroup Medical Group employees and business partners acting on behalf of the Company. We also expect our suppliers and partners to adhere to a Code of Ethics that is consistent with our ethical values. The Code of Ethics of the CompuGroup Medical Group is available on our corporate website at [www.cgm.com/ir](http://www.cgm.com/ir).

## **3. Description of the mode of operation of CompuGroup Medical Management SE including its Managing Directors and Administrative Board**

With effect from June 18, 2020, CompuGroup Medical was converted from the legal form of a European stock corporation (SE) with a two-tier management and supervisory structure into the legal form of a German partnership limited by shares (Kommanditgesellschaft auf Aktien, KGaA). One of the core principles of German company law is a commonly two-tier management system with an executive body and a supervisory board as the monitoring body. The legal form of a KGaA differs here as its business activities are managed by a General Partner. At CompuGroup Medical, CompuGroup Medical Management SE assumes the role of the management body as General Partner in accordance with the Articles of Association. The Supervisory Board of CompuGroup Medical supervises the management of the General Partner in accordance with the powers assigned to it by law and the Articles of Association. After the change of its legal form, CompuGroup Medical has also established the additional corporate body of the Joint Committee. Half of this committee consists of members of the Supervisory Board of CompuGroup Medical, the other half consists of members nominated by CompuGroup Medical Management SE.

CompuGroup Medical Management SE is a European stock corporation (SE) with a one-tier structure. CompuGroup Medical Management SE is represented by its corporate bodies: the general meeting ("Annual General Meeting"), the administrative board ("Administrative Board") and the managing directors ("Managing Directors"). CompuGroup Medical Management SE – represented by its Managing Directors – carries out the business activities of CompuGroup Medical with the due care and diligence of a prudent and conscientious manager and is committed to the corporate interests of CompuGroup Medical.

The sole shareholder of CompuGroup Medical Management SE is GT 1 Vermögensverwaltung GmbH, with its registered office in Koblenz. The share capital of GT 1 Vermögensverwaltung GmbH is held by Frank Gotthardt (99.36 %) and Professor Dr. Daniel Gotthardt (0.64 %). Both are also members of the Administrative Board of CompuGroup Medical Management SE.

In its function as General Partner, CompuGroup Medical Management SE does not hold an equity interest in CompuGroup Medical and does not participate in the earnings and assets of the Company. The General Partner is reimbursed by CompuGroup Medical for all expenses incurred in connection with the management of the Company's business activities, including the remuneration of the members of its corporate bodies. As stipulated by the Articles of Association of CompuGroup Medical, the Company pays the General Partner an annual remuneration in the amount of 4 % of its share capital, which is independent of the Company's profits and losses, in addition to reimbursing its expenses for the management of the Company and the assumption of liability. This remuneration reflects in particular the liability risk assumed by CompuGroup Medical Management SE as the General Partner of CompuGroup Medical.

### **a. The Managing Directors of CompuGroup Medical Management SE**

The Managing Directors conduct the business activities of CompuGroup Medical Management SE and, by virtue of their capacity as General Partner of CompuGroup Medical, thus indirectly also the business of the Company. In this capacity, they implement the general guidelines and requirements set up by the Administrative Board. The Managing Directors conduct the business activities with the due care and diligence of a prudent and conscientious manager in accordance with applicable law, the Code – to the extent the General Partner and the Supervisory Board have decided to comply with the individual recommendations –, the Articles of Association, the Rules of Procedure for the Managing Directors and the Directives of the Administrative Board.



In accordance with the Rules of Procedure, the following allocation of responsibilities applies to the Managing Directors:

- **Dr. Dirk Wössner (CEO):**

The **Chief Executive Officer** (CEO) is responsible for coordinating all areas of responsibility of the Managing Directors. It is his responsibility to ensure that all business units of the CompuGroup Medical Group are uniformly aligned to the objectives determined by the Administrative Board. The CEO represents the Company and the CompuGroup Medical Group to the public. He can delegate CompuGroup Medical Group's financial market communication, in whole or in part, to the Chief Financial Officer.

The CEO is also responsible for the cooperation between the Managing Directors and the Administrative Board. He informs the Administrative Board immediately of any extraordinary events of particular significance that occur at the level of the General Partner, the Company or the CompuGroup Medical Group. In particular, the CEO is responsible for the business performance of the CompuGroup Medical Group. He has senior responsibility for M&A transactions, brand management and centralized product development. The CEO also heads CompuGroup Medical Group's human resources department, which is primarily focused on payroll accounting, personnel development and the recruiting of new hires globally, and is therefore generally responsible for labor and social affairs. In addition, the CEO is responsible for the Legal & Compliance Affairs unit.

- **Frank Brecher (CTO):**

The **Chief Technology Officer** (CTO) has a cross-sectional role and supports all business units with respect to product and software architecture, development processes and tools, and the development organization; in this regard, he provides definition, guidance, audits, advisory services as well as training. The objective of his organization is to optimize product development throughout the CompuGroup Medical Group. At the same time, he is responsible for the provision of suitable near and offshore development services. Furthermore, the CTO is also in charge of defining, introducing and maintaining best practices and more efficient business processes within the other functional areas of the CompuGroup Medical Group by introducing state-of-the-art, lean organizational structures. As such, he also defines IT-supported processes and procedures (OneGroup systems) and implements these IT solutions in all operational units of the CompuGroup Medical Group. Another aspect of his responsibility is the definition and communication of relevant benchmarks for all major business processes. Together with his team, he advises and trains the top management levels of the CompuGroup Medical Group (SVPs, Area Vice Presidents and General Managers) in the continuous optimization of organizational structures, processes and measures to increase efficiency. In addition, the CTO is also in charge of the Central IT department and data protection.

- **Dr. Ralph Körfgen:**

The Managing Director is responsible for the CompuGroup Medical Group's revenue and earnings in the segments Ambulatory Information Systems for doctors and dentists, and Pharmacy Information Systems. This also extends his responsibility to the development of the above segments on a global scale, including the development and marketing of related services and products.

- **Dr. Eckart Pech:**

The Managing Director is responsible for revenue and earnings in the Consumer & Health Management Information Services (CHS) segment of the CompuGroup Medical Group. This segment comprises the consumer business, the population management business as well as the health connectivity services business, including the CGM LIFE platform and add-on products that are not allocated to a product line, the global development of eHealth platforms for connectivity and communication, and the development and marketing of related services. These also include the telematics infrastructure in Germany and Austria as well as the CGM LIFE solutions. He is therefore also responsible for the development of the above segment on a global scale, including the development and marketing of related services and products.

- **Michael Rauch (CFO):**

The **Chief Financial Officer** (CFO) is responsible for managing accounting, controlling, internal and external audits, liquidity planning and investor relations in the CompuGroup Medical Group. He is responsible for preparing all financial statements required as well as the fulfillment of related disclosure requirements. Furthermore, he is also in charge of coordinating the budget planning.

- **Hannes Reichl:**

The Director is responsible for revenue and earnings in the CompuGroup Medical Group's Hospital Information Systems segment (comprising information systems for hospitals and care facilities, solutions for rehabilitation facilities and laboratory information systems). This also extends his responsibility to the development of the above segment

on a global scale, including the development and marketing of related services and products.

The Managing Directors have introduced a Disclosure Committee and an M&A Committee. The Disclosure Committee currently consists of three members: the CFO (Chair), the Global General Counsel and the Head of IR. The committee is responsible for the review and compliance with disclosure requirements under capital market law, in particular for the review of potential inside information issues and disclosure requirements, the review of potential postponements of publications and decision-making on the postponement as well as the preparation of the required documentation. The M&A committee reviews the proposals for investment prepared by the relevant business units, in particular including the assessment of economic conditions and the contract documentation submitted, and proposes investment projects to the Managing Directors.

Regardless of the above-described division of responsibilities, the principle of overall responsibility for the management of CompuGroup Medical's business lies with the Managing Directors.

In regular meetings (usually once a week), the Managing Directors jointly discuss and decide upon a broad spectrum of topics from day-to-day business to strategic alignment.

In accordance with the Rules of Procedure for the Managing Directors, certain transactions or measures – for example the resolution on larger acquisitions or the determination of the annual budget – require the prior approval of the Administrative Board of CompuGroup Medical Management SE. In addition, the Articles of Association of CompuGroup Medical stipulate that transactions with a major impact as well as decisions regarding annual corporate, investment and financial master plans require the approval of the Joint Committee of the Company.

The Rules of Procedure furthermore provide detailed specifications with regard to general cooperation and coordination with the Administrative Board as well as reporting by the Managing Directors to the Administrative Board, sideline activities of Managing Directors that require approval by the Administrative Board as well as regulations concerning the handling of conflicts of interest and the passing of resolutions. Conflicts of interest must be disclosed without undue delay to the Administrative Board, and the remaining Managing Directors must be informed thereof. Resolutions of the Managing Directors are made by simple majority of the votes cast. If there is a tied vote, the CEO has the casting vote.

There is currently no age limit for Managing Directors. The age of the Managing Directors currently ranges between 44 and 54 years, with an average of 50.2 years.

#### **b. The Administrative Board of CompuGroup Medical Management SE**

CompuGroup Medical Management SE has a one-tier structure with a Administrative Board, which comprises five members as stipulated by the Articles of Association. The members of the Administrative Board are: Frank Gotthardt (Chairman), Dr. Klaus Esser (Vice Chairman), Stefanie Peters, Professor Dr. Daniel Gotthardt and Dr. Dirk Wössner. Dr. Dirk Wössner is also CEO of CompuGroup Medical Management SE.

The members of the Administrative Board are elected by the Annual General Meeting of CompuGroup Medical Management SE. The Administrative Board has not currently set a rigid age limit for its members and does not intend to set a fixed age limit in the future. The age of the members of the Administrative Board currently ranges between 47 and 73 years, with an average of 58.6 years.

The Administrative Board manages CompuGroup Medical Management SE in accordance with the legal provisions, the Articles of Association of CompuGroup Medical Management SE and its Rules of Procedure. It sets the general course of its business activities and supervises their implementation. The Administrative Board appoints and supervises the Managing Directors and has adopted Rules of Procedure governing their actions (article 7 (2) of the Articles of Association of CompuGroup Medical Management SE). The Rules of Procedure for the Administrative Board of CompuGroup Medical Management SE contain detailed provisions on meetings of the Administrative Board; these are presided over by the Chairman or, if the Chairman is unable to attend, by the Vice Chairman, and for which minutes are to be kept. The Rules of Procedure also provide that the Administrative Board is represented by its Chairman.

The Managing Directors, represented by the CEO, inform the Administrative Board at regular intervals and in a timely manner about the relevant issues of business development, the risk situation as well as significant deviations from budget planning and from the targets of CompuGroup Medical and the CompuGroup Medical Group. The Administrative Board is informed in a timely manner of any extraordinary events that are of significance for CompuGroup Medical Management SE and/or the CompuGroup Medical Group.

The Administrative Board convenes at least once a quarter for its regular meeting. So far, the Administrative Board has not yet made use of its option to form committees.

#### **4. Description of the operating principles and composition of the Supervisory Board of CompuGroup Medical SE & Co. KGaA**

The main responsibility of the Supervisory Board of CompuGroup Medical is to monitor the management of the Company by CompuGroup Medical Management SE as General Partner. This duty is performed on the basis of the legal provisions, taking into account the recommendations of the Code – with the exception of the deviations stated in the Declaration of Compliance –, the Articles of Association of CompuGroup Medical and the Rules of Procedure for the Supervisory Board. The Rules of Procedure, which include more detailed provisions on the convening and holding of Supervisory Board meetings and the formation of committees, can be viewed on the CompuGroup Medical website at [www.cgm.com/ir](http://www.cgm.com/ir).

The Supervisory Board consists of twelve members, of whom six are elected by the Annual General Meeting of the Company and six by the employees in accordance with the provisions of the German Codetermination Act (MitbestG) of May 4, 1976. The current acting employee representatives were initially appointed by the court after the Company changed its legal form. There is currently no rigid age limit for members of the Supervisory Board. The age of the members of the Supervisory Board currently ranges between 32 and 72 years, with an average of 52 years.

The Supervisory Board, or its shareholder side respectively, has come to the conclusion that in accordance with recommendations C.6/C.7 of the Code, the Supervisory Board shall comprise at least four members on the shareholder side, i.e. more than half of the shareholder representatives, who are independent of the Company and its General Partner (cf. recommendation C.7 of the Code) and at least four members who are independent of a controlling shareholder (cf. recommendation C.9 of the Code). In addition, the Supervisory Board, and in particular its shareholder side, have determined that the Supervisory Board shall have at least four members on the shareholder side who are independent of the Company and its General Partner as well as a controlling shareholder. In the opinion of the Supervisory Board, and in particular its shareholder side, all acting shareholder representatives on the Supervisory Board meet the independence criteria of recommendations C.6, C.7 and C.9 of the Code.

The Supervisory Board is of the opinion that the requirements of section 100 (5) of the German Stock Corporation Act (AktG) are met, as at least one member of the Supervisory Board has special expertise in the fields of accounting or auditing and the members as a whole are familiar with the sector in which the Company operates.

At least two regular Supervisory Board meetings are held in each calendar half-year, which are usually attended by the Managing Directors on behalf of the General Partner. However, the Supervisory Board also has the option of setting agenda items in the regular meetings that are discussed without the attendance of the representatives of the General Partner. The Supervisory Board regularly makes use of this option.

The CEO and the CFO regularly report to the Supervisory Board on the general development of business activities and the financial situation of the CompuGroup Medical Group and its key business units. In addition, the Managing Directors report on the development of business activities in the areas of their responsibility and the further development of the business units concerned. The Supervisory Board may ask the Managing Directors to provide more information regarding the items on the agenda and intended resolutions.

In accordance with the provisions of section 27 German Codetermination Act (MitbestG), the Supervisory Board elects a Chairman and a Vice Chairman. The Chairman of the Supervisory Board coordinates its work. He chairs the meetings and represents the Supervisory Board to the public. Furthermore, the Chairman explains the Report of the Supervisory Board to the shareholders, in particular at the Annual General Meeting. Resolutions of the Supervisory Board shall be adopted by a simple majority of the votes cast, unless otherwise provided by law. If a vote of the Supervisory Board is tied, and a new vote on the same subject also results in a tie, the Chairman of the Supervisory Board has the casting vote. The same applies when the votes are submitted in writing. The Vice Chairman is not entitled to the casting vote – even if he stand in for the Chairman of the Supervisory Board.

The Supervisory Board formed an Audit Committee. The Audit Committee generally consists of four members with one half representatives of the shareholders and one half representatives of the employees. In fiscal year 2020, the members of the Audit Committee on the shareholder side were Matthias Störmer (Chairman) and Philipp von Ilberg. On the employee representative side, Ursula Keller and Thomas Veith were elected to the Audit Committee. Thomas

Veith's term of office from the Supervisory Board and thus also from the Audit Committee ended effective January 15, 2021. On February 22, 2021, Andreas Wiese was elected to the Audit Committee in his place. The Committee focuses on the audit of the financial statements, the monitoring of the financial reporting process, the effectiveness of the internal control system, the risk management system and the internal audit system, compliance, the preliminary audit of the annual and consolidated financial statements, the preliminary audit of the non-financial reporting, the assessment of the quality of the audit of the financial statements, and the approval for the provision of any non-audit services by the auditor. The Committee discusses the half-year financial reports and interim reports with the Managing Directors prior to their publications.

The Supervisory Board reviews regularly, usually every two years, the effectiveness of how the Supervisory Board in general and its committees in particular perform their duties. The Supervisory Board of the Company's legal predecessor, CompuGroup Medical SE, last reviewed the effectiveness of its activities in December 2019 by conducting a survey among the members of the Supervisory Board and discussing related findings in the Supervisory Board meeting. The term of office of the members of the Supervisory Board of CompuGroup Medical SE legally ended upon the change of the legal form into a KGaA (partnership limited by shares) taking effect by registration in the commercial register of the Local Court of Koblenz on June 18, 2020. The new members of the Supervisory Board on the side of the shareholder representatives of CompuGroup Medical were elected as of the effective date of the change of legal form. As the Supervisory Board of the Company was consequently only established on June 18, 2020, and in view of the fact that the acting employee representatives who were appointed by the courts have only been appointed until the new employee representatives to be elected will have been appointed, the Supervisory Board has not yet carried out a self-assessment in fiscal year 2020.

The Supervisory Board's detailed report to the Annual General Meeting, which is included in the Annual Report 2020, provides insight into the key topics handled by the Supervisory Board in the fiscal year under review. It is available on the corporate website at <https://www.cgm.com/ir>.

The Supervisory Board announced the concrete objectives regarding its compositions and resolved upon a competence profile for the overall body on 22 February 2021.

A list of the members of the Supervisory Board, its committees and the Joint Committee, including information on the length of service on these bodies is provided in the appendix to this declaration. For the shareholder representatives, the list states whether they are classed as independent (within the meaning of the recommendations of the German Corporate Governance Code) by the Supervisory Board, and in particular by its shareholder side.

## **5. Cooperation of the Supervisory Board and the General Partner**

The cooperation of the Supervisory Board and the General Partner is based on the two-tier management principle as legally prescribed for the structure of a partnership limited by shares (KGaA). An essential aspect of the two-tier structure is the separation of the management and executive responsibilities assigned to the General Partner from the supervisory duties assigned to the Supervisory Board. Furthermore, the cooperation is based on the Rules of Procedure, which the relevant bodies have issued that also take into account the specific aspects of the legal form of a partnership limited by shares (KGaA), and (with regard to the General Partner) of a one-tier European stock corporation (CompuGroup Medical Management SE).

The General Partner, represented by the Managing Directors and especially the CEO and the CFO, keeps the Supervisory Board informed about the relevant issues of business development, the risk situation as well as significant deviations from the budget planning and the targets of the Company and the CompuGroup Medical Group at regular intervals and in a timely manner. The Supervisory Board is informed in a timely manner of any extraordinary events that are of significance for the Company and/or the CompuGroup Medical Group. Between the regular meetings, the Chairman of the Supervisory Board and the CEO of the General Partner maintain a dialog on the topics relevant to the Company.

## **6. The Joint Committee of CompuGroup Medical SE & Co. KGaA**

The Company established a joint committee (the "Joint Committee"), which consists of six members. Three of the members of the Joint Committee are delegated to the Joint Committee by the General Partner, and three of the members of the Joint Committee are delegated to the Joint Committee by the Supervisory Board of the Company (consisting of two shareholder representatives and one employee representative). The General Partner appoints one

of the members it delegates to the Joint Committee as Chairman.

Article 18 of the Articles of Association of CompuGroup Medical stipulates that certain topics require the approval of the Joint Committee of the Company. In addition to the annual corporate, investment and financial planning, this pertains in particular to transactions with related parties, certain company acquisitions and other transactions if they exceed certain significant thresholds set out in the Articles of Association.

Article 19 of the Articles of Association of CompuGroup Medical sets out the procedures for meetings and resolutions of the Joint Committee. Resolutions of the Joint Committee are adopted by a simple majority of the votes cast. If a vote is tied, and a new vote on the same subject also results in a tie, the Chairman of the Joint Committee has the casting vote. The Rules of Procedure of the Joint Committee contain more detailed provisions on the convening and holding of meetings of the Joint Committee and also the chairing of meetings. In accordance with the Rules of Procedure, the Joint Committee is convened if a decision on a transaction requiring approval becomes necessary.

## **7. Gender representation in the Supervisory Board and at management levels**

As a listed company to which the German Codetermination Act (MitbestG) applies, the Supervisory Board of CompuGroup Medical SE & Co. KGaA must be composed of at least 30 % women and at least 30 % men in accordance with section 278 (3) and section 96 (2) German Stock Corporation Act (AktG). In principle, the Supervisory Board as a whole may comply with the minimum quota. However, the representatives of the shareholders have objected to the compliance based on the body as a whole. For this reason, the minimum gender quota currently has to be met by both the shareholder representatives and the employee representatives in separate. The legal requirements concerning the gender quota were met in fiscal year 2020 since the Company changed its legal form to that of a KGaA, and are also currently met by both the shareholder and the employee representatives.

The Supervisory Board of the Company's legal predecessor, CompuGroup Medical SE, had retained the target for the share of women on the Management Board at zero percent on March 16, 2017. At the time the change of legal form took effect on June 18, 2020, the status was in line with the objective. As CompuGroup Medical no longer has a Management Board, there was no need to set a new target. With CompuGroup Medical Management SE neither being listed nor subject to codetermination, the General Partner is not obliged to comply with either the legal requirements for gender quotas in corporate bodies nor the requirement to set fixed composition targets for the share of women in the corporate bodies or the top management levels below the executive level. The share of women among the Managing Directors is currently zero percent. The share of women in the Administrative Board is 20 percent. The Administrative Board of CompuGroup Medical Management SE has, however, set itself a voluntary target of 30% for the share of women among the Managing Directors of CompuGroup Medical Management SE, which it wants to achieve by December 31, 2025. With regard to the Administrative Board of CompuGroup Medical Management SE, the Administrative Board has set itself the voluntary goal to include at least one woman. This target is currently met.

In accordance with section 76(4) German Stock Corporation Act (AktG), the Management Board of the Company's predecessor 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. As at December 31, 2020, the share of women in the two management levels below the General Partner was 22.2%

## **8. Diversity at CompuGroup Medical SE & Co. KGaA**

Owing to the Company's international and interdisciplinary focus on diverse stakeholders in the healthcare market in many different countries and cultures around the world, diversity actually comes natural to CompuGroup Medical. This applies with regard to an adequate representation of both genders as well as the greatest possible diversity, especially with regard to cultures, religions and ethnic backgrounds. Drawing on the diverse professional backgrounds and experience of its employees and members of corporate bodies is an important factor for the Company.

At the beginning of its activities, the Supervisory Board of CompuGroup Medical discussed and defined the concrete objectives for its composition as well as a corresponding competence profile, and prepared a diversity concept that is suitable for the Company, which was adopted on 22 February 2021.

## **9. Competence profile and diversity concept of the Supervisory Board**

### **a. Objectives for the composition of the Supervisory Board**

The Supervisory Board of CompuGroup Medical SE & Co. KGaA shall be composed in a way that its members as a whole have the knowledge, skills and professional experience required to properly perform the Supervisory Board duties. The proposal to the Annual General Meeting of candidates for the election to the Supervisory Board is to be based on their professional knowledge and experience, integrity, willingness to perform, independence and personality, which allow them to successfully perform the tasks of a member of the Supervisory Board in a software company with international operations. Moreover, the following aspects should also be taken into account:

- Personality and integrity: The members of the Supervisory Board must be reliable and possess the knowledge and experience needed to perform the duties of a Supervisory Board member conscientiously and on their own responsibility.
- Independence: On the side of the shareholder representatives, at least four members within the meaning of recommendations C.6 to C.9 of the Code shall be independent of CompuGroup Medical SE & Co. KGaA, the General Partner, its corporate bodies and a controlling shareholder.
- Conflicts of interest: The Supervisory Board shall not include any persons who hold a position on a corporate body or a consulting function at a major competitor of the Company, or who have a personal relationship with a major competitor. In addition, the Supervisory Board shall not include more than two former members of the Managing Directors of the General Partner or of the Management Board of the legal predecessor of the Company.
- Available time: Each member of the Supervisory Board ensures that it can afford the expected time required to properly exercise the Supervisory Board mandate. When accepting further mandates, the statutory restrictions on mandates and the recommendations of the Code must be complied with.

### **b. Competence profile for the overall body**

The Supervisory Board as a whole must have the necessary expertise and competences required to perform its duties effectively and to be able to assess the business and activities conducted by the Company. This can only be achieved if the members of the Supervisory Board as a whole are familiar with the sector in which the Company operates. The Supervisory Board regards the following competences, experience and knowledge as significant for the Supervisory Board as a whole:

- Experience in leading companies, organizations, associations and networks;
- adequate knowledge of the capital market;
- adequate knowledge of finance, accounting, controlling and bookkeeping;
- at least one member with expertise in information technology and digitization;
- at least one member with healthcare expertise;
- at least one member with expertise in the areas of law and compliance;
- at least one member with expertise in accounting and auditing within the meaning of section 100 (5) German Stock Corporation Act (AktG) (financial expert);
- at least one member with expertise in the areas of HR and society as well as corporate and social responsibility.

In its composition, the Supervisory Board also strives for diversity with regard to age, origin, internationality, different educational and professional backgrounds, as well as an adequate participation of both genders. In accordance with

the requirements of section 96 (2) German Stock Corporation Act (AktG), the Supervisory Board must be composed of at least 30 percent women and at least 30 percent men. In accordance with section 96 (2) sentence 3 German Stock Corporation Act (AktG), the shareholder representatives have resolved that this share must be achieved by each side, the shareholder side and the employee side.

In addition, each member of the Supervisory Board shall meet the general personal requirements set out in item 1 above.

**c. Diversity concept for the Supervisory Board**

The Supervisory Board of CompuGroup Medical SE & Co. KGaA is of the firm opinion that a heterogeneous composition of the corporate body contributes to the Supervisory Board working effectively and is therefore in the best interest of the Company. When defining concrete objectives for the composition of the Supervisory Board and the competence profile for the overall body, the Supervisory Board therefore took diversity aspects into account. Age, gender, educational and professional background and international expertise/internationality in particular are the factors governing the goals of the Supervisory Board with respect to its composition:

- The Supervisory Board generally strives for a mixed age structure. At least 30 percent of the members of the Supervisory Board should be below 60 years of age.
- In accordance with the requirements of section 96 (2) German Stock Corporation Act (AktG), the Supervisory Board must be composed of at least 30 percent women and at least 30 percent men.
- The composition of the Supervisory Board should be such that the members complement each other in terms of their professional profiles and professional and personal experience in order for the Supervisory Board to cover a broad spectrum of experience and knowledge.
- At least 30 percent of the members of the Supervisory Board have international experience based on either where they are from or their professional background.

The Supervisory Board will take these aspects into account when making its proposals to the Annual General Meeting for future elections or re-elections of shareholder representatives to the Supervisory Board.

With regard to the appointment of the Managing Directors, the Administrative Board takes into account not only professional aspects but also the objective of a heterogeneous composition of this corporate body in order to be able to satisfy the target markets and business activities of the Company and the CompuGroup Medical Group. The Administrative Board of CompuGroup Medical Management SE has set itself a voluntary target of 30 % for the share of women among the Managing Directors of CompuGroup Medical Management SE, which it wants to achieve by December 31, 2025. In order to avoid formal restrictions with regard to the appointment of Managing Directors, the Administrative Board of the General Partner has not established a formal diversity concept based on section 289f (2) no. 6 German Commercial Code (HGB) so far.

#### **10. Limited liability shareholders and the General Meeting of CompuGroup Medical SE & Co. KGaA**

CompuGroup Medical has issued solely registered ordinary shares. Shareholders who are listed in the Company's share register at a specific cut-off date have the right to attend the Company's General Meeting in compliance with the conditions set out by the relevant legal provisions and the Articles of Association in order to exercise their shareholder rights. In accordance with the Articles of Association, the Chairman of the Supervisory Board of CompuGroup Medical generally presides over the General Meeting. He or she also determines the order of deliberations and voting, as well as the form of voting. The Chairman of the Supervisory Board may also impose reasonable restrictions on the right to ask questions and speak. In accordance with German COVID regulations (Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic), it is currently also allowed to hold the General Meeting as an exclusively virtual meeting because of the COVID-19 pandemic. In this exceptional case, certain shareholders' rights can only be exercised to a limited extent.

The powers of the General Meeting of the Company are generally in line with the common powers of General Meetings of stock corporations or a European stock corporation, insofar as the corresponding powers are regulated by stock corporation law regulations. Instead of the actions of a management board being formally approved, the General Meeting of a KGaA formally approves the actions taken by the General Partner (section 285 (1) no. 2 German Stock Corporation Act (AktG)). In addition to the powers resulting from the German Stock Corporation Act (AktG), for a KGaA, the powers resulting from partnership law are also relevant. The Articles of Association of CompuGroup Medical SE & Co. KGaA provide that, in deviation from legal provisions, the General Meeting has no right of objection in the case of extraordinary management measures of the General Partner. The Articles of Association stipulate instead that certain extraordinary management measures have to be approved by the Joint Committee. In addition, the German Stock Corporation Act (AktG) grants powers to the General Meeting of a KGaA on the basis of special legislative provisions. This includes the adoption of the annual financial statements (section 286 (1) sentence 1 German Stock Corporation Act (AktG)), while in CompuGroup Medical's previous legal form, this had been the responsibility of the Supervisory Board. The resolution of the Annual General Meeting on the adoption of the annual financial statements requires the approval of the General Partner (section 286 (1) sentence 2 German Stock Corporation Act (AktG)).

The exercise of voting rights by the limited liability shareholders of CompuGroup Medical is likewise governed by the provisions of stock corporation law (section 278 (3) German Stock Corporation Act (AktG)). If the General Partner holds shares in the KGaA that entitle the General Partner to vote at the General Meeting, this voting right is subject to certain restrictions (section 285 (1) German Stock Corporation Act (AktG)). In this regard, the General Partner (which includes, according to prevailing opinion, in any case the shareholders controlling it and its management) is prohibited from casting a vote on the election and dismissal of members of the Supervisory Board, granting the formal approval to the actions taken by the General Partner and the members of the Supervisory Board, the appointment of special auditors, the assertion of claims for damages and the waiver of claims for damages, and the election of the auditor of the annual financial statements. These voting restrictions take account of a possible conflict of interest on the part of the General Partner.

With respect to the convocation of the General Meeting, the provisions applicable to a stock corporation (sections 278 (3), 283 no. 6 German Stock Corporation Act (AktG)) also apply without restriction to a partnership limited by shares (KGaA). However, in contrast to the SE, the maximum period permitted under the German Stock Corporation Act (AktG) for holding the ordinary Annual General Meeting of a KGaA is eight months (sections 278 (3), 175 (1) sentence 2 German Stock Corporation Act (AktG)).

In the General Meeting of a KGaA, the required majority is generally based on the same provisions that are applicable to a stock corporation (section 278 (3) German Stock Corporation Act (AktG)). According to section 179 (2) sentence 2 German Stock Corporation Act (AktG) in conjunction with article 26 (3) of the Articles of Association, resolutions of the General Meeting amending the Articles of Association are adopted by a simple majority of the votes cast and by



a simple majority of the share capital represented when the resolution is adopted, unless mandatory statutory provisions require a larger majority. Moreover, article 10 (8) sentence 2 of the Articles of Association of CompuGroup Medical provides that, in specific cases stated therein, the resolution on the change of legal form of CompuGroup Medical into an SE only requires a simple majority of the votes cast.

Certain resolutions of the General Meeting of a KGaA also require the approval of the General Partner (section 285 (2) sentence 1 German Stock Corporation Act (AktG)). In a limited partnership, this requirement of approval applies to all matters for which the consent of both the General Partner and the limited shareholders is required (section 285 (2) sentence 1 German Stock Corporation Act (AktG)). The requirement of approval pertains to, for example, resolutions in connection with capital measures, intercompany agreements, transformation measures (such as mergers or changes of legal form) and the dissolution of the Company.

## **11. Accounting and audits of financial statements**

CompuGroup Medical 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. After they were prepared by the General Partner, the financial statements are audited by the auditor appointed by the Annual General Meeting. Based on the audit reports and the documentation of the consolidated financial statements, the Supervisory Board approves the consolidated financial statements, if necessary, after a preliminary review by its Audit Committee. Following the legal regulations, the Annual General Meeting of CompuGroup Medical is competent to resolve the adoption of the annual financial statements. This resolution requires the consent of CompuGroup Medical Management SE as General Partner. Interim reports and half-year reports are discussed by the General Partner and the Audit Committee prior to their publication.

## **12. Control and management system and basic principles of the compliance system**

The internal control system of CompuGroup Medical and the CompuGroup Medical Group is based on Group-wide regulations and core business processes, in which standardized procedures are defined and guidelines for Group-wide risk management are provided. All of the individual business units permanently monitor and assess risks and communicate both the risks and the corresponding countermeasures initiated to the central risk management department of CompuGroup Medical, which is located at corporate headquarters. Risk reporting is an integral part of the regular reporting and controlling processes. In addition, the Audit Committee of the Supervisory Board is regularly provided with consolidated risk reports. Details on 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 German Accounting Law Modernization Act (BilMoG) can be found in the (Group) management report.

Compliance with the regulations and process flows defined for the CompuGroup Medical Group is reviewed in regular intervals by the Internal Audit department. These reviews focus on key aspects of the audit as coordinated with the Audit Committee.

Responsible handling of entrepreneurial risks is one of the principles of good corporate governance. The management of CompuGroup Medical has Group-wide and Company-specific reporting and control systems at their disposal, which ensure that these risks are recorded, evaluated and managed. The systems are continuously refined and adapted to the changing framework conditions and reviewed and evaluated by the auditor of the annual financial statements (section 317 (4) German Commercial Code (HGB)). In 2019, the existing system was replaced by a more efficient application of Monte Carlo simulation. This application enables Risk Management to prospectively conduct additional analyses or evaluate additional risk indicators. Furthermore, against the background of the new version of IDW PS 340, which is to be applied from 2021, procedural changes were made in order to be able to map the requirements at an early stage.

The Managing Directors regularly inform the Supervisory Board about existing risks and their development. The Audit Committee is primarily concerned with monitoring the accounting process, including reporting, the effectiveness of the internal control system, risk management, compliance, and auditing.

Details on CompuGroup Medical's risk management are presented in the Combined Management Report under the Risk Report section. In addition, the report on the accounting-related internal control and risk management system required by the German Accounting Law Modernization Act (BilMoG) is included in the Combined Management Report.

CompuGroup Medical stands against all forms of corruption, bribery and trading in influence, and actively strives to avoid such conduct in the CompuGroup Medical Group's business activities. In its publicly available Code of Ethics

applicable to all participants in the supply chain, CompuGroup Medical prohibits offering, distributing or accepting bribes or kickbacks of any kind along with the use of other ways and channels for granting an unjustified advantage to customers, representatives, contractors, suppliers and their employees, or government officials. CompuGroup Medical also prohibits its employees from giving bribes or kickbacks to customers, representatives, contractors, suppliers and their employees, or government officials, or accepting such bribes or kickbacks from these individuals in order to create an advantage for themselves or their families, friends, partners or acquaintances.

The controls instituted by CompuGroup Medical comprise regular self-assessments as part of monthly reporting for executives. Additional controls are exercised by way of internal and external audits, for example, as part of fraud and management override of control reporting. A Group-wide Legal & Compliance Affairs unit was established in December 2020, reporting to the CEO, to reinforce CompuGroup Medical's clear position both in-house and externally. CompuGroup Medical is continuously improving its Group-wide compliance management system.

CompuGroup Medical strives for compliance with the Company's principles described in the Code of Ethics concerning relationships with external business partners in the contractual agreements, partnerships and collaborations entered into. The Company achieves this through diligently reviewing planned agreements, partnerships and collaborations prior to the signing of contracts and by careful selection of external business partners.

Compliance with the Company's principles described in CompuGroup Medical's Code of Ethics by employees and management is ensured in particular by informing employees of these when they begin working at the Company. Employees are also obligated to comply with material principles as part of their employment contracts.

The Code of Ethics is signed by the Managing Directors and is published on the CompuGroup Medical website. The Code of Ethics is reviewed once a year. Amendments require the approval of the General Partner.

In 2018, an internal whistleblower system was implemented, which provides employees with the opportunity to report anonymously suspicious incidents relating to unethical, illegal, fraudulent or undesirable conduct in activities of the CompuGroup Medical Group. The whistleblower system guarantees confidentiality so that individuals who make a report can do so without fear or intimidation, disadvantage or retribution. Information on the whistleblower system and contacts is available to all employees in the intranet. Valid information is reported immediately to the General Partner and the Supervisory Board. In the reporting year, no reportable incidents were known or reported by individuals within or outside of the Company. The effectiveness and design of the whistleblower system are continuously reviewed and adapted to the new legal requirements. CompuGroup Medical considers respect for human rights to be an integral part of its responsibility as a company with worldwide operations. This is why we are committed not only to strictly adhering to all applicable statutory provisions but also to the staunch defense of human rights in our sphere of influence. Given the industry in which we operate, CompuGroup Medical employs highly qualified IT employees. Human rights issues are categorized as immaterial, because this constitutes a minimal operational risk. In order to underscore this issue, CompuGroup Medical has made an explicit commitment on responsibility to society in its generally applicable Code of Ethics. Compliance with these standards is required not only of all employees but also of all suppliers, business partners, consultants or third parties working on behalf of CompuGroup Medical Group.

### **13. Transparency**

CompuGroup Medical attaches great importance to the uniform, comprehensive and timely dissemination of information. Reporting on the business situation and results of CompuGroup Medical is provided in the annual report, the quarterly disclosures, the six-month reports, 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 online at [www.cgm.com/ir](http://www.cgm.com/ir) in the Investor Relations section. CompuGroup Medical keeps an insider trading list. The relevant persons are informed of their legal obligations and sanctions upon entry. In addition to that, CompuGroup Medical has identified further persons (beyond the listed group of persons directly affected in accordance with legal provisions) who are subject to a trading ban with shares and derivatives of CompuGroup Medical in a defined period of 30 days prior to the publication of financial figures.

#### **14. Shareholdings of the members of corporate bodies of the General Partner and the members of the Company's Supervisory Board**

**On the basis of the information available to the Company, the members of corporate bodies currently have the following shareholdings:**

##### **Supervisory Board of CompuGroup Medical SE & Co. KGaA:**

Professor Dr. Martin Köhrmann	8,000 shares (approx. 0.01 %)
Dr. Michael Fuchs	1,500 shares (approx. 0.00 %)
Claudia Frevel	1,210 shares (approx. 0.00 %)
Matthias Störmer	700 shares (approx. 0.00 %)
Ursula Keller	340 shares (approx. 0.00 %)
Sven Thomas Müller	50 shares (approx. 0.00 %)

##### **Administrative Board of CompuGroup Medical Management SE:**

Frank Gotthardt	17,910,804 (33.33 %)
Professor Dr. Daniel Gotthardt	3,571,711 shares (approx. 6.65 %)
Dr. Klaus Esser	140,000 shares (approx. 0.26 %)
Dr. Dirk Wössner	3,000 shares (approx. 0.01 %)
Stefanie Peters	140 shares (approx. 0.00 %)

##### **Managing Directors of CompuGroup Medical Management SE**

Michael Rauch	3,300 shares (approx. 0.01 %)
Dr. Dirk Wössner	3,000 shares (approx. 0.01 %)
Hannes Reichl	2,500 shares (approx. 0.00 %)
Frank Brecher	1,284 shares (approx. 0.00 %)
Dr. Eckart Pech	1,000 shares (approx. 0.00 %)

**Appendix: List of the members of the Supervisory Board and its committees (as at March 12, 2021)**

**Philipp von Ilberg**<sup>1 2 3</sup>(from June 18, 2020)

Managing Director of Mayer Sitzmöbel Verwaltungs-GmbH, General Partner of Mayer Sitzmöbel GmbH & Co. KG, Redwitz

Place of residence: Bamberg

(Chair, from June 18, 2020)

**Dr. Michael Fuchs**<sup>1 3</sup> (from June 18, 2020)

Freelance management consultant, Koblenz,

Place of residence: Koblenz

**Dr. Ulrike Handel**<sup>1</sup>(from June 18, 2020)

CEO DACH & Germany of Dentsu Aegis Network Central Europe Holding GmbH, Frankfurt am Main

(Vice Chairman from June 18, 2020 to July 29, 2020)

Place of residence: Hamburg

**Professor Dr. Martin Köhrmann**<sup>1</sup> (from June 18, 2020)

Deputy Director of the Department of Neurology at Essen University Hospital

Place of residence: Essen

**Matthias Störmer**<sup>1 2</sup> (from June 18, 2020)

Freelance management consultant, Frankfurt

Place of residence: Frankfurt

**Dr. Bettina Volkens**<sup>1</sup> (from June 18, 2020)

Freelance lawyer, Königstein

Place of residence: Königstein

**Sven Thomas Müller**<sup>3 4</sup> (from July 3, 2020)

Chief Information Officer of CompuGroup Medical SE & Co. KGaA

Place of residence: Nickenich

(Vice Chairman from July 29, 2020)

**Andrea Becker**<sup>4</sup> (July 3, 2020 to January 15, 2021)

Senior Product Architect at CompuGroup Medical Deutschland AG

Place of residence: Eitorf

**Claudia Frevel**<sup>4</sup> (from July 3, 2020)

Project Manager at CGM IT Solutions Services GmbH

Place of residence: Treis-Karden

**Ursula Keller**<sup>4 2</sup>(from July 3, 2020)

Communication Professional at CompuGroup Medical SE & Co. KGaA

Place of residence: Bergisch-Gladbach

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<sup>1</sup>Independent member on the shareholder side

<sup>2</sup> Member of the Audit Committee

<sup>3</sup> Member of the Joint Committee

<sup>4</sup>Employee representative

**Volker Kohl**<sup>4</sup> (from July 3, 2020)

Senior Manager Development at CompuGroup Medical Deutschland AG

Place of residence: Dommershausen

**Thomas Veith**<sup>2 3 4</sup> (July 3, 2020 to January 15, 2021) Vice President CS Administration at CompuGroup Medical SE & Co. KGaA

Place of residence: Kratzenburg

**Julia Mole**<sup>4</sup> (from January 15, 2021)

Trade union secretary, ver.di

Place of residence: Püttlingen

**Andreas Wiese**<sup>2 4</sup> (from January 15, 2021)

Head of department, ver.di (union)

Place of residence: Mainz