

## Corporate Governance Statement

The actions of CompuGroup Medical's Management Board and Supervisory Board are based on the principles of good and responsible corporate governance. In this statement, the Management Board – also acting on behalf of the Supervisory Board – provides its report on corporate governance in the Company pursuant to sub-section 3.10 of the German Corporate Governance Code (GCGC) and pursuant to section 289a (1) of the German Commercial Code (HGB).

### Declaration of Conformity

This declaration of conformity relates to conformity with the recommendations of the German Corporate Governance Codex (GCGC) in accordance with section 161 of the Aktiengesetz (German Stock Corporation Act).

Since the last declaration of conformity dated March 2016, CompuGroup Medical SE has conformed to the recommendations of the GCGC as amended on 05 May 2015, subject to the deviations mentioned in the aforesaid declaration.

In the future, CompuGroup Medical SE will comply with the recommendations, issued on February 7<sup>th</sup> 2017 of the German Corporate Governance Codex with the following exceptions:

#### Section 3.8 of the GCGC

A deductible within a D&O insurance for the Supervisory Board which suits all Management Board members should be determined. The current D&O insurance does not follow this recommendation as a deductible is not considered commensurate due to the amount of remuneration of the Supervisory Board.

#### Section 4.2.2 of the GCGC

The Supervisory Board should take the ratio of Senior Management to the overall workforce and its development over time into consideration when determining the compensation of the Management Board members. The Supervisory Board will not follow this recommendation because it does not consider this approach appropriate when determining the compensation of the Management Board members.

#### Section 4.2.3 of the GCGC

According to section 4.2.3 the compensation of the Management Board should be limited, both in terms of the total amount and the variable components. The management contract with the CEO does not provide such a limitation in order to provide an incentive effect which would not be given to the same extent in case of a limitation.

The Supervisory Board has reserved the right to adjust performance targets or underlying comparison parameters during the contract period. This is necessary in order to obtain the necessary flexibility to respond to relevant changes in market and business environment.

Pension commitments to Management Board Members are currently nonexistent and are also not intended for in the future.

#### Section 5.1.2 of the GCGC

An age limit for members of the Management Board shall be specified. CompuGroup Medical does not comply with this recommendation and has not fixed an age limit for its Management Board members. The company believes that a rigid age limit does not represent an appropriate selection criterion for its corporate officers and will consider this aspect on a case by case basis when evaluating potential candidates. The Supervisory Board considers also an appropriate diversity with regards to the company's international scope.

#### Section 5.3.2 of the GCGC

The company deviates from the recommendation in section 5.3.2 of the GCGC stipulating that the Chairman of the Supervisory Board shall not be Chairman of the Audit Committee. The Chairman of the Supervisory Board of CompuGroup Medical has specific knowledge and experience in the field of accounting and internal control procedures and is also considered to be independent.

### **Section 5.3.3 of the GCGC**

The Supervisory Board shall form a nomination committee composed exclusively of shareholder representatives which proposes suitable candidates to the Supervisory Board for recommendation to the General Meeting. CompuGroup Medical does not comply with this recommendation as has no nomination committee. It is not considered necessary to constitute a separate nomination committee as a working procedure has been established for the Supervisory Board to carry out the duties of a nomination committee in close cooperation with the largest shareholders of CompuGroup Medical.

### **Section 5.4.1 of the GCGC**

According to section 5.4.1 of the Corporate Governance code an age limit for members of the Supervisory Board shall be specified. CompuGroup Medical does not comply with this recommendation and has not fixed an age limit for its Supervisory Board members. The company believes that a rigid age limit does not represent an appropriate selection criterion for its Supervisory Board Members and will consider this aspect on a case by case basis when evaluating potential candidates.

With regard to the composition of the Supervisory Board, the company will predominantly take into account potential candidates' expertise, skills and professional experience. Therefore the Supervisory Board will not specify any regular limit for the duration of membership in the Supervisory Board.

Only for the ratio of women in the supervisory board, the Board will determine the targets regarding its future composition. This is necessary to retain preferably flexibility in assessing the suitability of potential candidates.

### **Section 5.4.6 of the GCGC**

The compensation arrangements for the Supervisory Board basically provide for a uniform fixed compensation. All Supervisory Board members are expected to perform their tasks with the highest level of engagement with focus on the company's long-term success. Up to now, only the chairman of the Supervisory Board receives a 50 percent higher compensation, because the work pattern of the chairman is clearly larger than the work pattern of all other Board Members, including the deputy chairman and the committee members.

Koblenz, March 2017

Dr. Klaus Esser

Chairman Supervisory Board

Frank Gotthardt

Chief Executive Officer