

Declaration of conformity by the Management Board and Supervisory Board of Encavis AG with the recommendations of the German Government Commission on the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG)

The Management Board and Supervisory Board of Encavis AG submitted the most recent declaration of conformity pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz – AktG) in February 2020. The following declaration refers to the recommendations of the Code dated 16 December 2019, which was published in the Federal Gazette on 20 March 2020.

The Management Board and the Supervisory Board of Encavis AG declare that the recommendations of the Code have been complied with since the submission of the last declaration of conformity and will continue to be complied with, with the following exceptions (numbers in parentheses refer to the respective paragraph in the code).

- **The Management Board shall institute an appropriate compliance management system reflecting the enterprise's risk situation, and disclose the main features of this system (A.2)**

Encavis AG operates a compliance management system that is arranged according to the Company's industry, size, and business model. Due to the corporate structures in place and the size of the Company, the compliance management system meets special compliance standards through the current risk management system and the internal control system. There is also a signature and authorisation process as well as an established customer onboarding process for the whole Group. However, given that the principles of the compliance management system have so far not been disclosed on the Company's website, we declare a deviation from the Code purely as a precaution.

- **Together with the Management Board, the Supervisory Board shall ensure that there is long-term succession planning. The approach shall be described in the Corporate Governance Statement (B.2).**

The contracts of the current Management Board members were extended in 2019 for a period of five (5) years effective as of 1 September 2020 and 1 October 2020 respectively. The Supervisory Board has not yet defined the long-term succession planning in writing. However, the Supervisory Board regularly gains an impression of the performance of the senior management of Encavis AG through the Personnel Committee and assesses the potential suitability of individual candidates.

- **An age limit shall be specified for members of the Management Board and disclosed in the Corporate Governance Statement. (B.5)**

No age limit applies to members of the Management Board. However, no member of the Management Board is contractually bound to the Company beyond the age of 65.

- **The Supervisory Board shall determine specific objectives regarding its composition, and shall prepare a profile of skills and expertise for the entire Board while taking the principle of diversity into account (C.1)**

The Supervisory Board has not developed a profile of skills and expertise for the entire Board.

The guiding principle concerning the composition of the Supervisory Board is ensuring a qualified control and advisory mechanism for the Management Board of Encavis AG. In the past, only candidates with the requisite knowledge and experience, integrity, motivation, independence and personality to perform the tasks of a member of the Supervisory Board of an international company have been proposed to the Annual General Meeting for election to the Supervisory Board.

The current composition of the Supervisory Board of Encavis AG is outstanding and tailored to the specific situation of Encavis AG as a company. The members of the Supervisory Board, some of whom have served for a long period of time, were last re-appointed as members of the Supervisory Board of Encavis AG at the Annual General Meeting on 18 May 2017. In addition, Dr Marcus Schenck – an experienced and highly regarded expert – was elected to the Supervisory Board at the Annual General Meeting on 15 May 2019. In the Company's opinion, the Supervisory Board consists of members with significant experience of the industry and the capital market and the requisite skills. The Supervisory Board therefore sees no reason to define a profile of skills and expertise.

As a result, there is no set age limit (C.2). The term of Supervisory Board membership is not explicitly disclosed in the declaration of corporate governance (C.3). The Supervisory Board is generally of the opinion that membership of the Supervisory Board for an extended period of time can be in the interests of the Company and the parties entitled to vote, which would not be taken into account by a specific age limit.

- **Provision of annually updated curricula vitae of the members of the Supervisory Board on the company website (C.14)**

Encavis AG does not update the curricula vitae of the members of the Supervisory Board on an annual basis. In the event of elections to the Supervisory Board, an up-to-date curriculum vitae is attached to the candidate proposal so that a comprehensive impression of the proposed candidate and their suitability can be gained. Otherwise, significant activities and comparable mandates are disclosed in accordance with applicable legal requirements in the notes to the annual financial statements and to the Annual General Meeting in the proposal for the candidate's election. These disclosures are updated annually and can also be viewed on the Company's website.

- **Publication of the rules of procedure of the Supervisory Board (D.1)**

Encavis AG has so far refrained from publishing the rules of the procedure for the Supervisory Board on its website. The Company plans to publish its rules of procedure on the website by the time the next declaration of conformity is submitted.

- **The Supervisory Board shall form a Nomination Committee, composed exclusively of shareholder representatives (D.5)**

Encavis AG does not have a separate nomination committee. Instead, Encavis AG has set up an Audit Committee and a Personnel Committee that performs the tasks of a nomination committee and is comprised exclusively of shareholder representatives.

- **The Supervisory Board shall also meet on a regular basis without the Management Board (D.7)**

Within the scope of ordinary Supervisory Board meetings, the Supervisory Board always meets with the Management Board. The Supervisory Board only meets without the presence of the Management Board with relation to selected items on the agenda. However, this only applies to specific items on the agenda, not to entire meetings.

- **Supervisory Board self-assessment (D.13)**

The Supervisory Board has not established any specific or structured mechanisms or assessment criteria with regard to the personnel-related, organisational and substantive performance of the Supervisory Board and its committees.

- **The mandatory interim financial information shall be made publicly accessible within 45 days from the end of the reporting period (F.2)**

The mandatory interim financial information is published within eight weeks of the end of the quarter in accordance with legal requirements.

- **Long-term variable remuneration exceeds short-term variable remuneration (G.6)**

At the time at which it is granted, the long-term variable remuneration does not normally exceed short-term variable remuneration. However, in the event of the long-term remuneration being granted after the minimum period of three years, it is possible for long-term variable remuneration to exceed annual variable remuneration – depending on the price of the Encavis share in this period.

Accessibility of long-term variable remuneration after a period of four (4) years (G.10)

The terms of Encavis AG's current long-term Management Board variable remuneration system provide for a three-year assessment period rather than a four-year period, in contrast to the recommendations of the German Corporate Governance Code. In accordance with Section 87 (1) Sentence 3 of the German Stock Corporation Act (AktG), which provides for a multi-year assessment period of between two to five years, we consider the chosen three-year assessment period to be appropriate and declare a deviation from the Code in this regard.

Claw back (G.11)

The current Management Board contracts do not include any contractual regulations that take into consideration extraordinary developments to a suitable extent and, in justified cases, include the option of clawing or claiming back variable remuneration. The justification of the German Corporate Governance Code regarding this recommendation also does not encompass any requirement to adjust existing Management Board contracts.

- Severance cap (G.13)

The Management Board contracts do not include any agreed severance cap.

Hamburg, February 2021

For the Supervisory Board



Dr Manfred Krüper
Chairman

On behalf of the Management Board



Dr Dierk Paskert
Chief Executive Officer



Dr Christoph Husmann
Management Board