

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 the Supervisory Board of Encavis AG published the previous declaration of conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) in March 2021. 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 previous 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 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 Chair of the Supervisory Board, the Chair of the Audit Committee, as well as the Chair of the committee that addresses Management Board remuneration, shall be independent from the company and the Management Board (C.10)**

The Chairman of the Supervisory Board has been on the Supervisory Board for more than 12 years. In addition, the Chairman of the Supervisory Board has been a key investor within the free float since December 2021, having joined the pool of individual major shareholders who together hold more than 25 %. As a result, the Chairman of the Supervisory Board, who is also the Chairman of the Personnel Committee, is categorised as dependent based on the aforementioned indicators specified by the German Corporate Governance Code. Despite the standard length of service of more than 12 years, the members of the Management Board in office at the Company have changed during the period in question, which means that the overall assessment of the independence of the Management Board could also be completely different. It must also be noted that there are no business relationships between the Chairman of the Supervisory Board and the Company.

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

In financial year 2021, the Supervisory Board did not establish 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. However, the Supervisory Board did commission an efficiency review for Q2/2022 to analyse and assess the effectiveness and efficiency of the work of the Supervisory Board and its committees.

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

At the time at which it is granted, the long-term variable remuneration does not normally exceed the short-term variable remuneration of the Management Board. 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 for the Management Board 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 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, March 2022

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